PARK CITY COUNCIL WORK SESSION NOTES
SUMMIT COUNTY, UTAH
DECEMBER 18, 2003

Present: **Mayor Dana Williams; Council members Peg Bodell, Kay Calvert Candace Erickson, Jim Hier, and Fred Jones**

Tom Bakaly, City Manager; Ken Fisher, Recreation Manager; Jerry Gibbs, Public Works Director; Cindy LoPiccolo, Deputy City Recorder; and Alison Butz, Special Events and Facilities Manager

Dave Staley, Chairman of Recreation Advisory Board; Craig Elliott, architect for Centura Development; Jeff Larson, Marsh USA Risk Insurance Services; and Jess Radle, Silver Queen Properties

1. Council questions and comments. Tom Bakaly reported that the Interagency Task Force discussed affordable housing issues and a consolidated communication/dispatch concept. Peg Bodell described a variety of features available with interactive information kiosks, which is a project underway in the Economic Development Department. Fred Jones reported on the HMBA meeting where a proposal for a literary arts festival was discussed. It is proposed as a three-day weekend to be held in September 2005. Kay Calvert stated that she attended a dinner for the Leadership Program and commended the group. Candace Erickson commented on the literary arts festival meeting where there was a suggestion of moving it back to August. She strongly encouraged consideration of the month of September to bring new visitors into town, not to tap into the people already here. She explained components of the event and hoped that it materializes. Ms. Erickson stated she also attended an ice facility meeting where obtaining necessary easements is an issue holding up progress on the project. If the parcel is not cleared by March 1, the committee is fearful of losing another construction year.

Mayor Dana Williams commented on the fund-raiser held last night by the University of Utah Humanities Department with the goal of raising funds for scholarships for first-generation students. Tom Bakaly, Jonathon Weidenhamer, and he met with the Prospector Property Owners Association on a possible needs assessment for the area. The group conducted its own parking needs assessment, which showed that parking is at 67% of capacity. There was agreement for the City to work with the Association on better lighting. He added that he attended the first Wasatch Environmental breakfast forum, hosted by Utah Power this morning in Salt Lake. The focus was renewable energy sources and programs and he shared statistics on the projected growth of the state. Jim Hier stated that the Chamber/Bureau Board of Directors met Monday night. There was a presentation on the updated Wikstrom study on the feasibility of supporting a convention center in Park City. Tom Bakaly explained that this topic will be included in the economic development portion of Council's work shop in January.

2. Discussion on BMX track. Dave Staley referred to the staff report. There are many options out there and it may be a good idea to canvass kids about their needs. He requested direction from Council to begin this process and discussed the Bango Wortley parcel adjacent to SR248 as a possible site. The Mayor asked about use limitations. The City Manager explained that it was purchased with RDA funds, anticipating that it would be used for affordable housing. When this was no longer the direction of the City, the RDA was reimbursed with General Fund assets, so there are no longer restrictions. He assured Council that the parcel is not located on wetlands. Mayor Williams supported surveying the public on the scope of the project. He strongly recommended testing the soils on the suggested areas, including Richardson Flats, the old sewer site, and Bango Wortley. Mr. Staley explained that the recommendation of Bango Wortley was almost a matter of elimination. It is anticipated that soil would be imported as sanctioned BMX courses have specifications on clay compositions for the course. The demanding guidelines of the American BMX Association were discussed, including volunteer hours. In response to a comment made by Peg Bodell about information on BMX users traveling out of Park City to facilities, Mr. Staley felt this could be determined in a survey. Candace Erickson pointed out sports that began as recreational and then evolved into separate more competitive programs like soccer or ski racing, where parents are required to volunteer. She hoped this facility would not be exclusive. Mr. Jones agreed with Ms. Erickson and felt a BMX track built by the City should create an opportunity for kids to acquire skills. If parents want to take it further, that is another discussion.

Jim Hier agreed and dialog ensued on snow storage options if Bango Wortley becomes unavailable. Mayor Williams suggested that the Snyderville Basin Recreation District become involved and Mr. Staley indicated that he spoke with Bonnie Park at the District, who wasn't interested at this time. Dana Williams felt that participation by Basin residents in the needs assessment would be helpful. In response to a question from Peg Bodell, Jerry Gibbs stated that the Bango Wortley parcel is the City's only snow storage location at this juncture. Ms. Erickson pointed out that if City properties are not suitable because of soils issues, the survey may create expectations about a project that may not happen for lack of a site. Peg Bodell interjected that the City may not have an option. Jim Hier suggested proceeding with soil testing concurrent with the survey. Dave Staley explained that BMX tracks are rebuilt or reshaped every year and felt it feasible to move the track for snow storage, and reuse the material to set up the track again in the spring.

Mr. Staley concluded that direction is to move ahead with a survey to identify the scope of the need. The Mayor expressed interest in numbers for competitive racing programs compared to BMX recreation programs. It may also be helpful to know how many locals are traveling to the Rad Canyon BMX Track.

3. Rail Central pedestrian connection – Centura Development. Tom Bakaly explained that Council approved an encroachment permit for access use of the City's open space property. The City received an encroachment permit so Rail Trail users could cross the business commons property and access parking for the trail. One outstanding feature is the pedestrian connection from the Rail Trail to the private building across the City's open space, which is before Council tonight. If Council renders approval during work session, it may be prudent to have it subject to planning staff or Planning Commission approval with regard to final design.

Architect Craig Elliott described the pedestrian bridge across the creek to the Rail Trail, the 11 parking spaces, and an ADA compliant ramp connection from the parking area to the Rail Trail. At this location, a ramp comes down to the picnic area and turns back down to the building. In addition to that, there are connecting stairways and Mr. Elliott explained the need for the proposed retaining walls because of the change in grade. Jim Hier expressed concerns about the purpose of the bridge being to serve the buildings. Mr. Elliott relayed that the bridge location relates to a potential restaurant and if this occurs, there would be shared parking. It also provides a connection for pedestrians from the Fireside and Iron Horse Apartments. Mr. Hier felt that the other side should be planned before a decision is made on the bridge. Craig Elliott explained that it made sense to process the entire area at one time. Ms. Erickson pointed out the excessive size of one of the ramps and Mr. Elliott explained that there is more of a grade change and the ramp acts as a sidewalk. Fred Jones also expressed concerns about what happens across the creek with regard to parking; we should be confident that everything will line up and won't have to be altered when the parking structure comes on line. He believed that if pedestrian access is supported tonight, that the plan be reviewed by both the Planning Commission and planning staff. He stated that he is somewhat uncomfortable with the conceptual design of the ramp and this needs to be analyzed. Mr. Elliott explained that they were attempting to reduce the impacts of the retaining walls and they need the authority from the City Council to work through these issues. He believed it reasonable to allow Centura to proceed with the development of the other parcel with the Planning Commission. Jim Hier felt it important to condition approval with Planning Commission review and stated that he still has a problem with a bridge without the benefit of a circulation plan. There needs to be a demonstrated linkage from the pedestrian access and the bridge in order for the bridge to make sense.

Tom Bakaly questioned the need for the ramp to be ADA compliant and clarified that Council is being asked for permission to apply for an application on the bridge and direction on the pedestrian connection to the open space. Fred Jones expressed support on the bridge, as conditioned by Jim Hier. With regard to the ramp and stairway, he felt review should be subject to staff approval and ADA applications. Candace Erickson agreed and added that the bridge should be applied for when the design for the other side is submitted. She stated that she doesn't have a problem with the ramp, except for its size and would rather see more landscaping than asphalt. Craig Elliott stated that he will work with staff toward a solution. Jim Hier reiterated his comments on demonstration of a pedestrian circulation plan, which should be part of the findings if the bridge is approved. Dana Williams stated that the design of the bridge seems grandiose for a three feet wide creek and agreed with his fellow Council members with regard to Planning Commission review.

3. Review of regular meeting:

Insurance renewal. Cindy LoPiccolo introduced Jeff Larson from Marsh. She explained that the City has elected basically the same coverage as last year. Kay Calvert asked if Workers Compensation rates will ever level off. Mr. Larson explained that the market has slowed down and their rates are still lower than other insurance carriers. He believes the rates will drop in a couple of years once insurance companies recover and become profitable again. The average rate increase for Workers Compensation is 20% and the City is below that number. There was discussion about terrorism risk insurance, which Mr. Larson didn't recommend for Park City. Ms. LoPiccolo interjected that the Imperial Hotel, a recent property acquisition, has been included in the coverage. Peg Bodell pointed out the significant amount of money spent on insuring our City buses, which should be considered in negotiations regarding support of regional transportation.

Sundance MFL. Alison Butz explained that the amendment involves barricading the east side of Main Street parking for the first four days of Sundance, which are the busiest days of the Festival, which will increase the sidewalk width. It is also proposed to barricade parking spaces in front of Harry O's and the Main Street Mall on the west side of the street. These barricades are proposed to remain until Tuesday morning. Barricades at the Sundance venues, The Egyptian, Elks Building, and The Riverhorse will remain in place during the entire Festival. It is hoped that this plan will help keep pedestrians out of traffic and alleviate some safety problems. The HMBA supports the amendment and every Main Street business has been personally contacted on the plan; comments have been positive. In response to a comment made by Jim Hier about not implementing one-way this year, Ms. Butz explained that pedestrian circulation was the focus and it was determined that one-way may be confusing to drivers and actually back-up traffic. Candace Erickson believes this is a good plan and easily understood. Barricade rentals will be paid by Sundance as well as parking fees.

Imperial Hotel contract. Alison Butz explained that three proposals were rendered in response to the RFP. Staff is recommending the award of contract to ResortCom. The RFP outlined a variety of criteria and it was felt that ResortCom would yield the highest return; she referred to the staff report. The other companies were Silver Queen Properties and Silver King LLC. ResortCom manages the Park Plaza, has the largest staff on hand, and adding the Imperial Hotel is manageable. Silver Queen contacted her office regarding projected revenues as it felt it was more competitive than ResortCom, but staff does not feel it erred in the analysis. Silver Queen's numbers didn't property reflect expenditures, and staff believes the process was straight-forward. Another complaint from Silver Queen was the lack of 24-7 front desk coverage. She added that this was not mentioned in the RFP but it is ResortCom's intention to staff the front desk around the clock. She will continue to gather information with regard to the scope of work, requested by Jim Hier.

Jim Hier stated that he believes selecting ResortCom is appropriate. He pointed out that the criteria outlined in the RFP is much different than the proposed contract before Council because it was negotiated. He was concerned about the lack of definition of the bases for costs; the City should know how it will be charged before entering into a contract, or subject approval to finalization of the fee structures. Tom Bakaly felt that the cost per unit item can be clarified. Alison Butz explained that a separate lease will be crafted for the Swede Alley house. There was discussion about the commercial property. Ms. Butz stated that this is a six month contract with an option to renew.

Jess Radle, Vice President of Silver Queen Properties, distributed his documentation to the City Council. Mayor Williams thanked him and assured him this would be reviewed prior to the regular meeting. Tom Bakaly added that staff has reviewed this, and believes that the same revenues were properly applied in the analysis. Should Silver Queen continue to disagree, the decision can be appealed. Fred Jones emphasized that selection is not based strictly on cost, but other criteria like marketing and staffing the property.

See regular meeting minutes.

Prepared by Janet M. Scott, City Recorder

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
DECEMBER 18, 2003

I ROLL CALL

Mayor Dana Williams called the regular meeting of the City Council to order at approximately 6 p.m. at the Marsac Municipal Building on Thursday, December 18, 2003. Members in attendance were Dana Williams, Peg Bodell, Kay Calvert, Candace Erickson, Jim Hier, and Fred Jones. Staff present were Tom Bakaly, City Manager; Mark Harrington, City Attorney; Ray Milliner, Planner; Jonathon Weidenhamer, Planner, and Alison Butz, Special Events and Facilities Manager.

II COMMUNICATIONS FROM COUNCIL AND STAFF

1. Resolution proclaiming the weekend of December 26 – 28, 2003 as Moose-A-Palooza Weekend in Park City, Utah – The Mayor read the resolution and presented it to Teri Orr, Executive Director of the Eccles Center.

2. Mayor's presentation to outgoing Council members Fred Jones and Peg Bodell – Dana Williams acknowledged the contributions of both members and presented them with venue city logo jackets. He also gifted plaques to Council members Jones and Bodell, *"in recognition of your leadership on the Park City Council, welcoming the world to the 2002 Winter Olympic Games, promoting cultural opportunities, ensuring quality services and programs, and encouraging civic awareness and participation; these are priceless gifts to our community".*

Fred Jones thanked this Council and the previous membership. He stated that he enjoyed serving both on the Council and the Planning Commission and commended our professional staff and elected officials, having the best interest of the City at heart. There are exciting issues facing the City. Unfortunately, negotiating water issues has been frustrating as he hoped there would have been more progress. It is important for Council to articulate the vision and champion the vision. We have tremendous resources in this town, which need to be channeled; Park City is a great place because of the people. Peg Bodell thanked Council members and encouraged them to continue to conduct themselves in a civil manner among each other and the community.

III PUBLIC INPUT - (any matter of City business not scheduled on the agenda)

The Mayor invited the public to comment on any matter of City business. Hearing none, the pubic input session was closed.

IV WORK SESSION NOTES AND MINUTES OF MEETING OF DECEMBER 4, 2003

Kay Calvert, "I move to approve the minutes of the meeting of December 4". Jim Hier seconded. Motion carried unanimously.

V CONSENT AGENDA PUBLIC HEARINGS

1. Ordinance approving the condominiumzation of the duplex located at Lot 46 and the southerly 21' of Lot 45 in Block 5 of the Park City Survey also known as 502 Woodside Avenue – Ray Milliner, Planner, referred to his staff report. The Mayor invited the City Council and audience to comment. Hearing none, the public hearing was closed.

2. Ordinance approving an amended record of survey for Park Avenue Condominiums, located at 1680 Park Avenue, Park City, Utah – Jonathon Weidenhamer, Planner, explained that the conversion will convert some common areas to private areas. This will not affect parking requirements and the Planning Commission unanimously forwarded a positive recommendation. Hearing no questions from the public or the Council, the public hearing was closed.

3. Amendment to Sundance Master Festival License and supplemental plan – Alison Butz explained that the amendment includes a plan to barricade the east side parking spaces on Main Street for the first four days of the Sundance Film Festival and barricade the larger venues on Main Street for the remainder of the event. The Mayor opened the public hearing.

Mike Sweeney, Town Lift Cafe, commended Ms. Butz for keeping the HMBA informed and expressed the group's support of this proposal. With no further comments, the public hearing was closed.

VI CONSENT AGENDA

Fred Jones, "I move to approve Consent Agenda Items 1 through 5, with the comment that he has reviewed the analysis of the management contract proposals for the Imperial Hotel and is comfortable with staff's recommendation (award of contract to ResortCom". Peg Bodell seconded. Motion carried unanimously,

1. Ordinance approving the condominiumzation of the duplex located at Lot 46 and the southerly 21' of Lot 45 in Block 5 of the Park City Survey also known as 502 Woodside Avenue – See staff report and public hearing.

2. Ordinance approving an amended record of survey for Park Avenue Condominiums, located at 1680 Park Avenue, Park City, Utah – See staff report and public hearing.

3. Amendment to Sundance Master Festival License and supplemental plan – See staff report, work session discussion, and public hearing.

4. 2004 Insurance Renewal – See staff report and work session notes.

5. Award of contract to ResortCom for Imperial Hotel management contract – See staff report and work session notes.

6. Resolution proclaiming the weekend of December 26 – 28, 2003 as Moose-A-Palooza Weekend in Park City, Utah – Staff recommends approval.

VII NEW BUSINESS

Approval of property transfer agreement with Cranbrook Development LC to acquire 40 acres in Round Valley in the amount of $1 million – Mark Harrington explained that the purchase has been discussed by Council and staff recommends moving ahead with the transaction. The closing date is scheduled on December 29, 2003. Jim Hier, "I move we approve the acquisition of the 40 acre property for $1 million and authorize the Mayor to execute the closing documents, in a form approved by the City Attorney". Fred Jones seconded. Motion unanimously carried

VIII ADJOURNMENT

The scheduled Water Service District meeting was canceled. With no further business, the regular meeting of the City Council was adjourned.

MEMORANDUM OF CLOSED SESSION

The City Council met in closed session at approximately 2 p.m. Members in attendance were Mayor Dana Williams, Peg Bodell, Kay Calvert, Candace Erickson, Jim Hier, and Fred Jones. Staff present was Tom Bakaly, City Manager; and Mark Harrington, City Attorney. Peg Bodell, "I move to close the meeting to discuss property and personnel". Fred Jones seconded. Motion carried unanimously. The meeting opened at approximately 3:45 p.m.

The meeting for which these minutes were prepared was noticed by posting at least 24 hours in advance and by delivery to the news media two days prior to the meeting.

Prepared by Janet M. Scott

Janet M. Scott

Janet M. Scott, City Recorder

City Council
Staff Report

PARK CITY 1884

Recreation & Library

Author: **Ken Fisher**
Subject: **Direction on BMX**
Date: **December 9. 2003**
Type of Item: **Work Session**

Summary Recommendations: Give direction to the BMX Subcommittee, of the Recreation Advisory Board, to hold a public input meeting with the BMX community. Give direction to the subcommittee as to whether they should further explore possible locations, which may include the development of a BMX facility on the City-owned Bango-Wortley parcel.

Description:

Topic: BMX Facility

A. Background:

During City Council's visioning session with the Recreation Advisory Board, it gave the RAB direction to form a BMX subcommittee to explore potential locations and development of a BMX track. The RAB appointed a BMX subcommittee to investigate the possibility of constructing a track.

B. Analysis:

In September, the BMX sub-committee traveled to "Rad Canyon" in West Jordan to tour an ABA sanctioned BMX racetrack. Rad Canyon is owned by Salt Lake County and is a top-notch track, complete with bleacher seating for roughly 1200 people, hot food concessions, restrooms, parking, lights, PA system, and covered start area. Initially Salt Lake County provided the land, restrooms and power and water to the site. The bleachers were also provided to the track at a later date. All other improvements to the track were paid for from track revenues.

The Rad Canyon track is run on a sub-contract basis by a Salt Lake couple that volunteers their time. The couple estimated that they spend 30-35 hours a week managing the facility. The track is open three nights per week from 5 until about 10. Monday is for practice and Tuesdays and Thursdays are race days. The rest of the time the track is gated and locked. Additionally, they rely on 11 volunteers each race night to take registrations, organize the racers, observe the corners, and compile results.

A RAB member on this year's City Tour visited another ABA sanctioned track in Montrose. CO and found a similar situation there. While this track was smaller than

Rad Canyon, volunteers also ran it. Parents in Montrose formed a club to oversee the operation of the track and run the races.

Both tracks are ABA sanctioned which entitles them to support benefits, such as track supplies, promotional materials, points tracking, awards and liability insurance. The ABA will also help with construction support and consulting for a new track. A sanctioned BMX track requires between 2 and 5 acres of land. There also should be water at the site to keep the track dust down and electricity for the starting lights. All riders on a sanctioned track must be members of the ABA at a cost of $45 per year.

After researching the requirements to operate a sanctioned BMX track the subcommittee recommends holding public input for the BMX riders in the community to see what type of facility they desire.

The alternatives to a sanctioned track would be an open area with jumps and berms or a BMX park with ramps and a half pipe. It is envisioned that this type of facility would be open free of charge to the public under similar guidelines that are currently used to manage the skatepark. After public input is taken the BMX subcommittee will have a better understanding of the needs and desires of the potential users.

The BMX subcommittee met in October to look at maps of city owned property that could be a potential site for BMX. Sites were weighed on their size, accessibility, availability, and feasibility. The sites are the following:

1. The Bango-Wortley Parcel
2. The Gillmore Parcel
3. The Old Sewer Treatment Site
4. Richardson Flats

After extensive discussion the sub-committee felt that of the City-owned property, the portion of the Bango-Wortley parcel that is to the south of SR248 and west of the old county road would be the first choice for the temporary BMX area. Its proximity to the Rail Trail and the fact that it is tucked below the road grade make it well situated for this type of activity. The site has already been cleaned up for snow storage and it would require a minimal effort to prepare it for a track.

Depending on the outcome of the input received for the BMX facility, the Recreation Advisory Board would like to further pursue the development of a BMX facility on the Bango-Wortley parcel. This would be built initially as a temporary facility, but could become a permanent park in the future if there is a positive response to the temporary facility. This is the same approach that worked well with the development of the skateboard park.

Currently the parcel is used by the Public Works Department for snow removal storage. Trucking costs average about $37,500 per year. If Bango-Wortley were to be developed into a sanctioned BMX track, Public Works would need to find an alternative location to store snow. Annual trucking costs could more than double ($75,000) depending on the location and distance traveled. In addition, Park City could need to purchase or secure a long-term lease for approximately 5 acres of usable land if it was not on City-owned property. Snow storage on the old sewer treatment site has been problematic in the past and Staff can elaborate on that point on December 18th.

The other locations were ruled out by the BMX subcommittee as per Council direction to find a location for a facility that could be developed in a timely manner. Gilmore, Sewer Treatment Site and Richardson Flats all have various issues that would preclude them from being developed into a BMX facility. The BMX Subcommittee contacted the three local ski areas as well as the Snyderville Basin Recreation District about developing a BMX facility. While all supported the idea no one was in a position to add a BMX amenity at this time.

The Sub-committee is looking for council input on the following issues:

1. Approval to proceed with canvassing the BMX community
2. Further explore the development of a BMX facility on the Bango-Wortley parcel assuming public input shows an interest in developing a dirt track.

C. Department Review:

The City Manager, Recreation & Library Management Team, Park's Planner, Public Works, & RAB

Alternatives:

A. **Approve the Request:** Allow the BMX Subcommittee, of the Recreation Advisory Board, to hold a public input meeting with the BMX community. Allow the subcommittee to further explore the development of a BMX facility on the Bango-Wortley parcel.

B. **Deny the Request:** Deny the request of the BMX Subcommittee, of the Recreation Advisory Board, to hold a public input meeting with the BMX community. Deny the subcommittee request to further explore the development of a BMX facility on the Bango-Wortley parcel.

C. **Modify the Request:** Ask the RAB to consider other locations in the City not owned by the City that may be donated in a public/private partnership or land in/owned by the Snyderville Basin Special Recreation District.

D. **Continue the Item:** Ask the RAB to further study the concept of a BMX facility

E. **Do Nothing:** This would severely limit the potential development of a BMX facility

Significant Impacts:

The BMX subcommittee recommends holding public input for the BMX riders in the community to see what type of facility they desire. This will ensure that the users needs are being met and the proper facility will be constructed.

Public Works would need to relocate their current snow storage space. Land would need to be purchased or leased if City property was not used. Trucking costs would likely increase by $37,500 per year.

Consequences of not taking the recommended action:
The development of a BMX facility will be delayed.

Recommendation: Give direction to the BMX Subcommittee, of the Recreation Advisory Board, to hold a public input meeting with the BMX community. Give direction to the subcommittee as to whether they should further explore possible locations, which may include the development of a BMX facility on the City-owned Bango-Wortley parcel.

City Council
Staff Report

Staff:	Tom Bakaly, City Manager
Subject:	Centura Rail Trail Development
Date:	December 18, 2003
Type of Item:	Use of City property; proposed pedestrian connection

PARK CITY 1884

Executive Department

Summary Recommendation:
Acting as property owner, review Centura's proposed plan for a pedestrian connection on the Rail Trail parcel and provide direction to Centura and Staff.

A. Topic:

Applicant:	Centura Canyons, LLC - Rodman Jordan
Location:	1790 Bonanza Drive - Lot A
Zoning:	GC - General Commercial
Adjacent Land uses:	Commercial/Rail Trail, City Property
Date of Application:	May 2, 2003

B. Background:
The City Council reviewed the applicant's request to use portions of the City's Rail Trail property for certain design and circulation elements for the Rail Central development at 1790 Bonanza Drive at their November 6, 2003 Work Session meeting (Minutes included in packet). The Council granted the applicant, Rodman Jordan, approval subject to certain terms and conditions under which the City will permit the construction and use of certain improvements within City property. The parties executed an encroachment and access agreement memorializing the approval on November 6, 2003 (Exhibit A).

One element of the encroachment and access agreement contemplates the possible construction and use of a pedestrian connection across the City's Rail Trail property (see Section 2D of the Agreement). Though no approval has been granted for the pedestrian connection, Centura was given until December 31, 2005 to present plans to the Council and seek approval for the pedestrian connection. Centura has submitted plans for the proposed pedestrian connection for the Council's review consideration, and approval (see Exhibit C). In short, the proposed plan consists of an at grade bridge crossing the creek and an ADA ramp leading to the Business Commons property.

Recommendation
Staff recommends that the Council, acting as property owner, review Centura's proposed pedestrian connection plans and design, and provide direction to Centura and Staff. Informal direction at Work Session will be sufficient Council action.

C. Exhibits

A. Encroachment and Access Easement Agreement
B. City Council November 6, 2003 minutes
C. Proposed Plan

EXCERPTS FROM CITY COUNCIL MEETING – NOVEMBER 6, 2003

3. Authorization to City Manager to enter into an encroachment and access agreement for certain elements of the proposed Rail Trail development – Centura Development – Tom Bakaly explained that although this is not a formal public hearing, public input is solicited. Staff is recommending approving an encroachment permit, which grants the City access across Centura's property to the City's open space parcel where there would be 11 parking spaces for the Rail Trail project. The City is also granting an easement across our property to Centura. There is no commercial or private development on the open space and it will be Centura's responsibility to build the 11 parking spaces to be signed as Rail Trail use only. He emphasized that the pedestrian bridge over the City's property will be considered at another meeting. Approving an encroachment permit will assist in the timing of Centura's MPD application before the Planning Commission; this matter does not relate to planning aspects of the project. Jim Hier clarified that the bridge will not only span City property but a terminal will be on our property, providing access. Fred Jones acknowledged that a decision on the bridge is not slated for tonight, but referred to his confusion regarding the purpose of the bridge discussed earlier. He stated that he can support a north-south pedestrian access that connects on-grade with the Rail Trail which goes east-west. There seems to be some justification for public access on-grade but a bridge connecting to the second floor of a commercial building is not something he feels is appropriate. The Mayor invited the audience to comment.

(a) Public input

Charlie Sturgis, White Pine Touring, recalled the development of the Rail Trail some 15 years ago. He is surprised at the volume of its use and its importance to the trail system. He discussed conducting bike guides on this trail and noted that patrons often complain about the lack of facilities. He pointed out that this property was purchased with open space funds. It is a key piece to the trail system and could offer amenities for users year-round. Jim Hier asked his opinion on the bridge. Mr. Sturgis felt the bridge will assist access. There was discussion about the Farm trail, which White Pine Touring plans on opening this Saturday.

Rodman Jordan explained that the original design included a curb cut and there is no longer a second floor connection; it's accessible at grade level and ADA compliant. He discussed their efforts in exploring bridge design concepts.

Troy Duffin, Mountain Trails Foundation, stated that the trail is used by at least 100,000 people a year and is very popular. There was discussion on the location of the people counters. Mountain Trails does not comment on the merits of any development project, but as it affects the trail, any type of amenity is a great thing, as long as it does not hinder the function of the trail and its potential future. He pointed out that the widths of trails in specifications have increased over the years, and he encouraged the City not to give up any right-of-way. Rail trail parking must be reserved for trail users. The parking between Snowcreek and Associated Title will be lost. It would be ideal to build an underpass under Bonanza as the ultimate trailhead is City Park.

With no further comments or questions from the audience, the public input session was closed.

(b) Direction or action

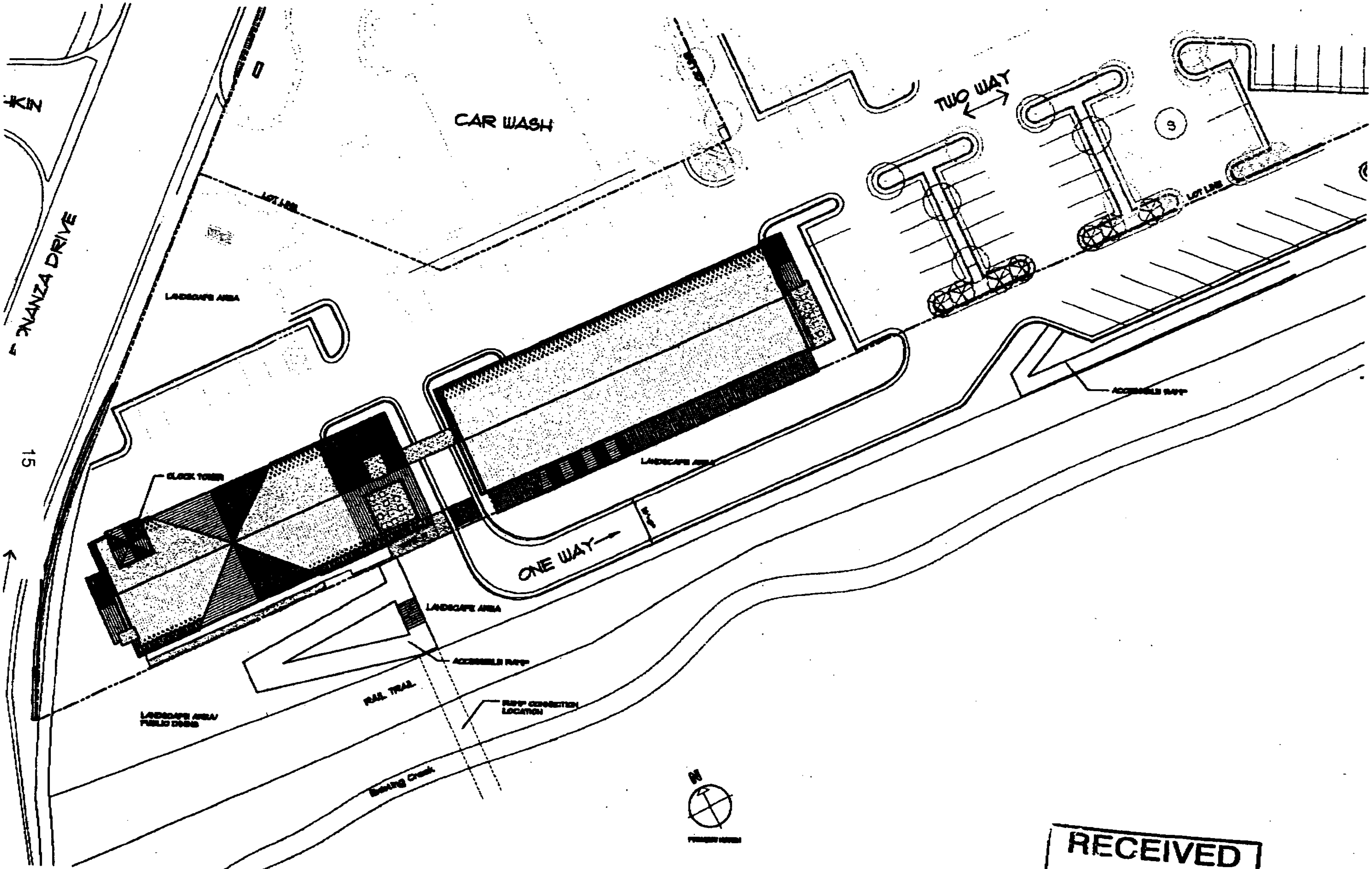
Jim Hier read an excerpt from the recent open space bond brochure, *"How can the public ensure that land purchased with the proceeds of the bond issue remains open? Open space, purchased with the intent to keep it permanent and forever preserved as open, can be protected using a variety of standard legal techniques. The most common involve open space easements and deed restrictions".* In addition, the bond language itself guarantees that the purchase must remain forever open. He described this brochure language as similar to the one published on the first bond issue but amended in the second. *"It is conceivable that certain parcels of land will be purchased to implement other strategies deemed important by the Citizens Open Space Advisory Committee, the City Council, and the community. These might include land banking for future land trades and development of selected recreational amenities. These strategies will be clearly identified and justified to the public in advance of their purchase".* He emphasized that the City purchased this property under the context that it would be forever open and understanding that if we didn't purchase it, Union Pacific could sell it and develop it commercially, potentially blocking the trail system. It wasn't purchased as a trailhead but rather to maintain the extension of the broader trail system. Had conservation easements been placed at the time of acquisition, there would probably be less debate at this particular time. Mr. Hier stated that the proposed bridge spans from one commercial parcel, across the Rail Trail, to another commercial parcel; both privately owned. It's not public access, but commercial access. Part of the proposed agreement provides for an ADA accessible ramp leading down from the Rail Trail parking area, which is not much more than 150 feet to the restrooms. It is his belief that the bridge is a 100% commercial enhancement. If the City's property was not open space, he would consider the request, however the bridge will block the view corridor down the trail. He stated that he can't support the bridge based on the intent of the bond purchase and do so would betray a public trust. This may be a small transaction, but it sets a precedent. He strongly suggested that this portion be stricken but everything else is fine, i.e., allowing access through the property. Mr. Hier strongly expressed his distaste for approving something, which requires approval by a subsequent action and can't be defined in time or in scope. He cited a scenario about the property being sold before the bridge is built.

Peg Bodell commended Centura on voluntarily including a public art element and commented on the on-going development of an art policy for the City. She asked if the art could be located in another area of town. Mr. Jordan explained the public art program in San Francisco and feels this is a good thing for Park City. He responded that it doesn't have to be on-site and agreed with Mr. Duffin's remarks about tying the Rail Trail into City Park. Having a pocket park in the Rail Trail Development is something that has been in their plans and he would like to see art as a part of this project, however, they are open to discussions. In defense of the bridge, Mr. Jordan emphasized the overall pedestrian vision for the neighborhood.

Jim Hier stated that when the applicant produces a master plan of the entire area showing how these elements integrate, an encroachment permit would be appropriate to review. Why not wait? Mayor Williams interjected that he agrees totally with Council member Hier on his comments about the intent of the bond language. There was discussion about the current pedestrian bridge serving area residents, which is more convenient. Fred Jones suggested that rather than striking Subsection (d), which Mr. Hier is recommending, to simply replace pedestrian *"bridge"* with pedestrian *"connection"*, and eliminate the bridge as the applicant is reconsidering this feature. He agreed with Mr. Hier that the bridge, as proposed, doesn't fit the criteria of public way. Using the word *"connection"* doesn't eliminate the possibility of a bridge in the future. He emphasized that the City is not committed to any kind of connection at this point. Relative to Mr. Hier's quotes from the bond pamphlet, Mr. Jones noted that this was prepared by a special interest group promoting the initiative, and it is not a legally binding document, which is specific as well. The focus needs to be on the bond language, not the bridge. Jim Hier countered that the pamphlet has the City logo, Park City Municipal Corporation and its email address and any resident would believe it came from the City. He agreed that it may not be legally binding, but it is morally. There was discussion about placing a timeline on the bridge application or tying it to Centura's application. Candace Erickson expressed the problems associated with outstanding projects and there was discussion about whether or not to strike (d). Rodman Jordan expressed that he wants resolution on this. It is a matter of full disclosure as Centura wants to go through the master plan process and develop good north/south connections. He discussed integrating the Hispanic community in the area.

Peg Bodell stated that she has concerns about the City's enforcement responsibilities outlined Section (b) with regard to restricting parking. This is a difficult obligation, at best, and this is not a trailhead and not an appropriate place for a trailhead. She asked that it be stricken because it is more of a problem than a benefit. Mr. Jordan explained that this is an effort to provide some public parking and she believes it won't be available for trail users. He responded that he successfully enforces a plan with his tenants at the Emporium, which he explained in detail. Kay Calvert stated that it would be inconvenient to eliminate parking because it can't be enforced. He discussed in detail the Telluride trail system which ties into retail areas and emphasized the Centura is offering to grant an easement across its property so that the public has a place to access the Rail Trail. Ms. Bodell argued that City Park has plenty of parking. Candance Erickson disagreed with Ms. Bodell's comments; the more parking, the better. She believes there will be a number of trail users who will drive there to run or bike and the parking will be used. In response to the Mayor's poll, there was no support among Council members to support Ms. Bodell's recommendations to strike Section (b).

Tom Bakaly summarized that amendments to the proposed draft include changing the word bridge to connection in Section (d). The first sentence should contain language, *"subject to the approval of the City Council of Park City by July 1, 2004, owner may construct a pedestrian connection. . ."* Under Section (f), Council may want to consider adding, *"in the event a location for public art is determined by the City, other than the Rail Trail, the owner may match the City's contribution to the cost of said public art up to a maximum of $5,000"*. Jim Hier reiterated his reasons for opposing the bridge and the agreement and Fred Jones countered that it is not approving a bridge. Jim Hier stated that the approval of the bridge could occur with a future council and he is not willing to make that provision. He could approve a pedestrian connection. Fred Jones, "I move to approve the encroachment agreement with the changes as iterated by Tom, including Section (d) which replaces "bridge" with "connection", and with the additional sentences relative to public art and ~~the July 1, 2004 deadline~~ with regard to the pedestrian connection". Assistant City Attorney Tim Twardowski asked if July 1 is the deadline for approval or application. Jim Hier felt the City should have a design submitted for approval prior to that date, and if not, the clause would expire. Rodman Jordan felt six months may not be adequate. Fred Jones amended his motion to, approval by the City Council no later than December 2005". Candace Erickson seconded. Motion unanimously carried.



ARCHITECTURAL SITE PLAN

City Council Staff Report

PARK CITY 1881

Subject: **502 WOODSIDE**
Date: **December 18, 2003**
Type of Item: **Condominium Conversion**

PLANNING DEPARTMENT

Summary Recommendation: Staff recommends that the City Council review the proposed condominium conversion, conduct a public hearing, take public input, and consider approving it according to the findings of fact, conclusions of law and conditions of approval found in this staff report.

Description

Owner:	Max Von App
Location:	502 Woodside
Proposal:	Condominium Conversion
Zoning:	Historic Residential (HR-1)
Adjacent Land Uses:	Residential
Planner:	Ray Milliner

Background

The building at 502 Woodside Avenue is a historic duplex structure in the HR-1 zone. The building is currently being renovated as a duplex. The structure previously was configured as a triplex. The building was granted a variance by the Board of Adjustment on April 15, 2003 for a reduction in the minimum lot size requirements for a duplex (3,750 square feet required, 3,675 existing) in the HR-1 zone and to maintain an existing non-complying setback for the historic building on the Fifth Street right-of-way (zero). Consequently, the Planning Commission approved a CUP for a duplex and construction on a steep slope on March 26, 2003. The property is platted as Lot 46 and the southerly 21' of Lot 45 in Block 5 of the Park City Survey. Unit A is proposed to have approximately 1,303 square feet and Unit B is proposed at 1,360 square feet, for a total building area of 2,663 square feet. On December 10, 2003 the Planning Commission reviewed this project and forwarded a positive recommendation to the City Council.

Analysis

This request is to condominiumize the existing duplex on the lot. Staff has evaluated the overall project against the Land Management Code regulations for the HR-1 District, and determined the proposed application complies as presented with all requisite City codes, including setbacks (as approved by variance), which are 10' in the front and rear and 5' on the sides, the applicant received a variance to the 10' front yard setback along the Fifth Street right-of-way reducing the setback to 0'; height, the building as built is 27' above existing grade, the maximum height for a structure in the HR-1 zone; and parking, no parking is required for the structure per LMC Section 15-2.2-4 as historic structures in the HR-1 zone are considered valid complying structures. No additional construction for the building is proposed at this time.

Notice
Notice of this hearing was sent to property owners within 300' on November 19, 2003. No formal comments have been filed at the time of this report.

Department Review
The Planning, Building and Planning Departments have reviewed this request. The City Engineer and City Attorney=s Office will review the plat prior to recording. The request was discussed at a Staff Review Meeting on November 18, 2003, where representatives from City Staff were in attendance and found it to be in conformance with all current requisite City development codes.

Recommendation
Staff recommends that the City Council review the proposed condominium conversion, conduct a public hearing, take public input, and consider approving it according to the findings of fact, conclusions of law and conditions of approval found below:

Findings of Fact
1. The property is located in the HR-1 District at 502 Woodside Avenue.
2. The property is located on all of Lot 46 and the southerly 21' of Lot 45 in Block 5 of the Park City Survey.
3. The new lot consists of approximately 3,675 square feet.
4. The LMC requires a minimum of 3,750 square feet for a duplex in the HR-1 zone.
5. The applicant received a variance for a reduction in the minimum amount of square footage required for a duplex in the HR-1 zone from 3,750 to 3,675 on April 15, 2003.
6. The Land Management Code requires setbacks of ten feet in the front and rear and five feet on the sides for a structure of this size.
7. The structure meets the setback requirements on all but the south elevation.
8. The applicant received a variance to the front yard setback requirement in the HR-1 zone from 10' to 0' on April 15, 2003.
9. The project complies with the LMC requirements for maximum building footprint, height, and lot setbacks with the exception of those areas receiving a variance.
10. LMC Section 15-2,2-4 states that existing historic structures that do not comply with parking standards are valid non-complying structures.
11. Unit A will consist of 1,303 square feet.
12. Unit B will consist of 1,360 square feet.
13. The condominium plat will allow the applicant to sell each unit separately.

Conclusions of Law
1. There is good cause for this condominium plat.
2. This approval as conditioned is consistent with the Park City Land Management Code and applicable state law governing condominium plats.

3. This approval as conditioned does not adversely affect the health, safety, or welfare of the citizens of Park City.
4. Neither the public nor any person will be materially injured by this plat amendment.

Conditions of Approval

1. City Attorney and City Engineer review and approval of the plat amendment for compliance with the Land Management Code and conditions of approval is a condition precedent to plat recording
2. This approval shall expire one year from the date of City Council approval, unless this plat amendment is recorded at the Summit County Recorder's office prior to that date.
3. All standard conditions of approval shall apply.

EXHIBITS

Exhibit A - Proposed Ordinance
Exhibit B – Plat

PARK CITY 1884

Ordinance No. 03-

AN ORDINANCE APPROVING THE CONDOMINIUMIZATION OF THE DUPLEX LOCATED AT LOT 46 AND THE SOUTHERLY 21' OF LOT 45 IN BLOCK 5 OF THE PARK CITY SURVEY ALSO KNOWN AS 502 WOODSIDE.

WHEREAS, the owner of the property known as 502 Woodside Avenue, has petitioned the City Council for approval of a plat amendment; and

WHEREAS, proper notice was sent and the property posted according to requirements of the Land Management Code and State Law; and

WHEREAS, on December 10, 2003 the Planning Commission held a public hearing to receive public input on the proposed plat amendment and forwarded a positive recommendation of approval to the City Council; and

WHEREAS, the proposed condo conversion allows the property owner to condominiumize the existing duplex; and

WHEREAS, it is in the best interest of Park City Utah to approve the plat amendment.

NOW, THEREFORE, BE IT ORDAINED by the City Council of Park City, Utah as follows:

SECTION 1. FINDINGS OF FACT. The above recitals are hereby incorporated as findings of fact. The following are also adopted by City Council as findings of fact:

14. The property is located in the HR-1 District at 502 Woodside Avenue.
15. The property is located on all of Lot 46 and the southerly 21' of Lot 45 in Block 5 of the Park City Survey.
16. The new lot consists of approximately 3,675 square feet.
17. The LMC requires a minimum of 3,750 square feet for a duplex in the HR-1 zone.
18. The applicant received a variance for a reduction in the minimum amount of square footage required for a duplex in the HR-1 zone from 3,750 to 3,675 on April 15, 2003.
19. The Land Management Code requires setbacks of ten feet in the front and rear and five feet on the sides for a structure of this size.
20. The structure meets the setback requirements on all but the south elevation.
21. The applicant received a variance to the front yard setback requirement in the HR-1 zone from 10' to 0' on April 15, 2003.
22. The project complies with the LMC requirements for maximum building footprint, height, and lot setbacks with the exception of those areas receiving a variance.
23. LMC Section 15-2,2-4 states that existing historic structures that do not comply with parking standards are valid non-complying structures.
24. Unit A will consist of 1,303 square feet.
25. Unit B will consist of 1,360 square feet.
26. The condominium plat will allow the applicant to sell each unit separately.

SECTION 2. CONCLUSIONS OF LAW. The City Council hereby adopts the following Conclusions of Law:

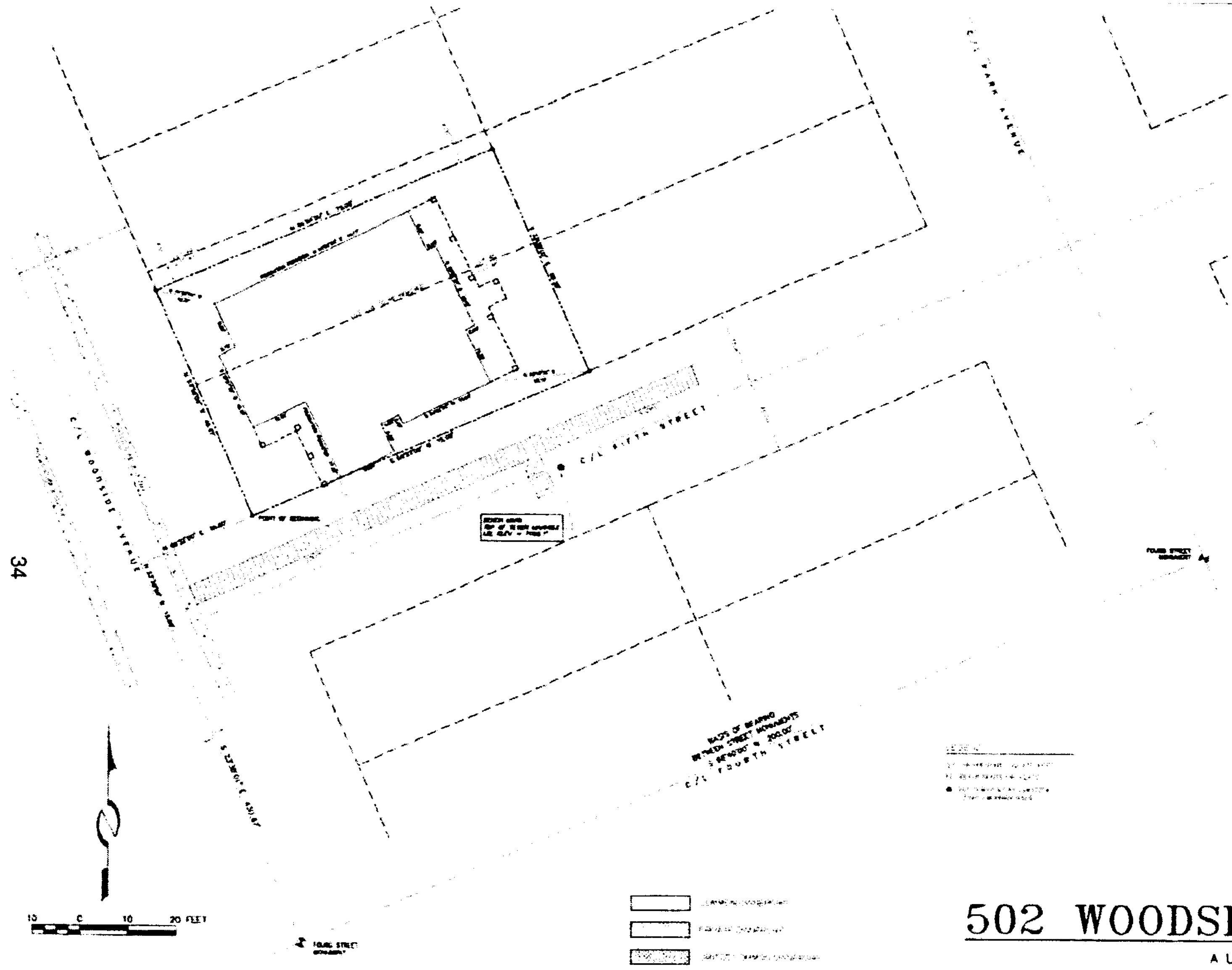
5. There is good cause for this condominium plat.
6. This approval as conditioned is consistent with the Park City Land Management Code and applicable state law governing condominium plats.
7. This approval as conditioned does not adversely affect the health, safety, or welfare of the citizens of Park City.
8. Neither the public nor any person will be materially injured by this plat amendment.

SECTION 3. CONDITIONS OF APPROVAL. The City Council hereby adopts the following Conditions of Approval:

4. City Attorney and City Engineer review and approval of the plat amendment for compliance with the Land Management Code and conditions of approval is a condition precedent to plat recording
5. This approval shall expire one year from the date of City Council approval, unless this plat amendment is recorded at the Summit County Recorder's office prior to that date.
6. All standard conditions of approval shall apply.

SECTION 4. EFFECTIVE DATE. This Ordinance shall take effect upon publication.

PASSED AND ADOPTED this 5th day of June, 2003.



RECORD OF SURVEY MAP

502 WOODSIDE CONDOMINIUMS

A UTAH CONDOMINIUM PROJECT

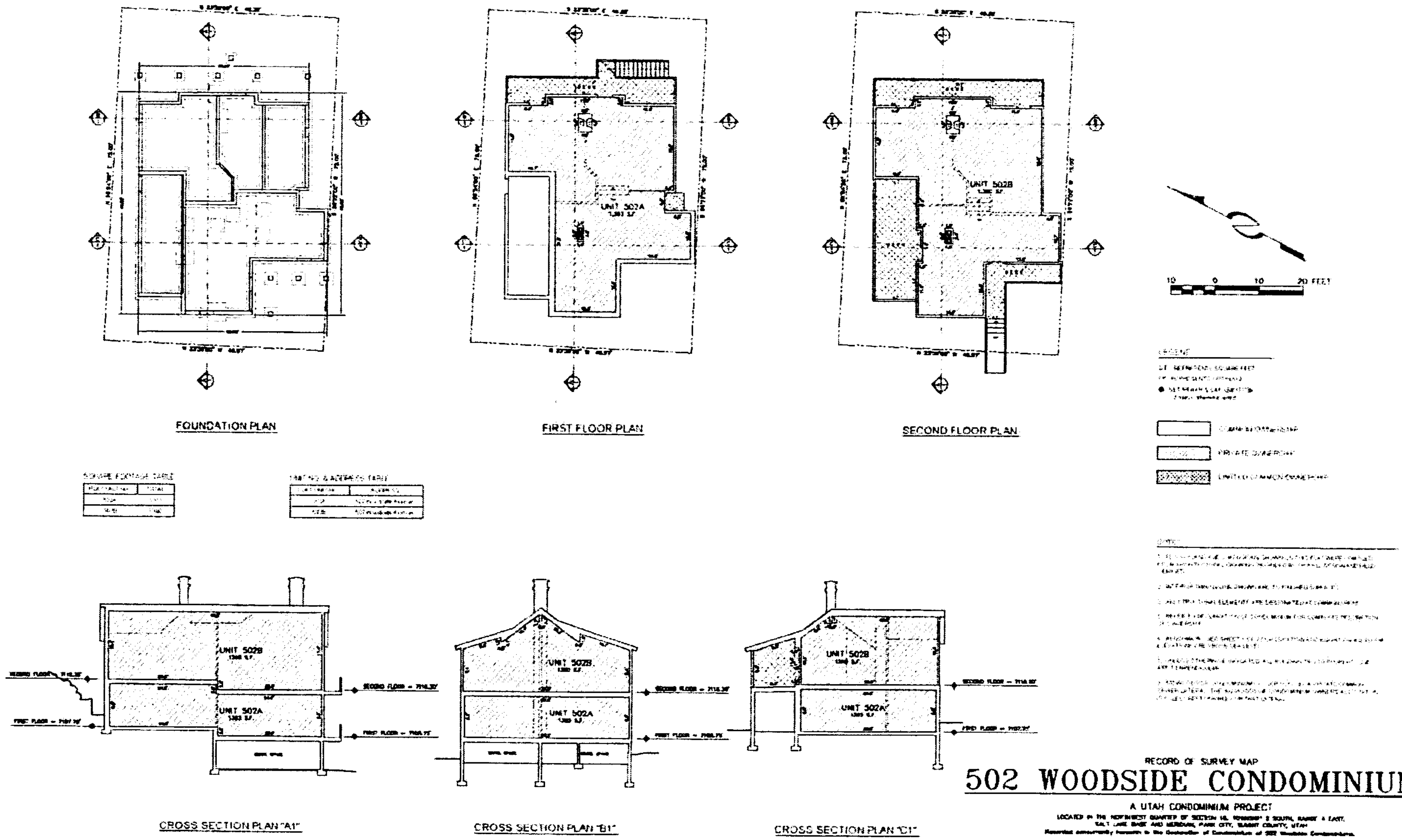
LOCATED IN THE NORTHWEST QUARTER OF SECTION 16, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SALT LAKE BASE AND MERIDIAN, PARK CITY, SUMMIT COUNTY, UTAH

Recorded concurrently herewith is the Declaration of Condominium of 502 Woodside Condominiums

PRELIMINARY

SHEET 1 OF 2

PARK CITY SURVEYING, INC.	SNYDERVILLE BASIN WATER RECLAMATION DISTRICT	PLANNING COMMISSION	ENGINEERS CERTIFICATE	APPROVAL AS TO FORM	CERTIFICATE OF ATTEST	COUNCIL APPROVAL AND ACCEPTANCE	RECORDED



RECORD OF SURVEY MAP

502 WOODSIDE CONDOMINIUMS

A UTAH CONDOMINIUM PROJECT

LOCATED IN THE NORTHWEST QUARTER OF SECTION [illegible], TOWNSHIP 2 SOUTH, RANGE 4 EAST, SALT LAKE BASE AND MERIDIAN, PARK CITY, SUMMIT COUNTY, UTAH

Recorded concurrently herewith is the Declaration of Condominium of 502 Woodside Condominiums.

SHEET 2 OF 2

PRELIMINARY

[illegible] - 7 2003

RECORDED

STATE OF UTAH, COUNTY OF SUMMIT AND FILED AT THE REQUEST OF __________

DATE ______ TIME ______ BOOK ______ PAGE ______

FEE RECORDER

PARK CITY 1881

City Council Staff Report

Author: Jonathan Weidenhamer
Subject: Amendment to Record of Survey – Park Avenue Condominiums
Date: December 18, 2003
Type of Item: Legislative

PLANNING DEPARTMENT

Summary Recommendations:
Conduct a public hearing, consider public input, and consider approving as conditioned.

Description:

A. Topic:

Applicant:	Park Avenue Condominiums
Applicant's Representative	Larry Butterfield, HOA President
Project Address:	1680 Park Avenue
Zoning:	RD - MPD
Adjacent Land Uses	Cole Sport, Open Space, Golf Course
Project Planner	Jonathan Weidenhamer

B. Background:

The Planning Commission forwarded a unanimous recommendation to approve this record of survey at their December 10, 2003 meeting.

Since the inception of the project in 1973, a number of unit owners in the Park Avenue Condominiums have made alterations to their units by converting common atrium areas into private unit space. After learning of this, staff has prohibited any further conversions to private ownership of these common areas without first amending the record of survey as required by the Utah Condominium Ownership Act,.

At this time, the applicant proposes modifications to the existing condominium record of survey to bring into compliance existing and any future privatization of these atrium areas (Exhibit A). If approved, this application will also allow for the conversion of a small portion of existing second story areas located above the parking areas for each unit to also be converted to "Private Ownership B". Through this amendment, these areas, if not already converted, can be subsequently enclosed at the discretion of the individual owner subject to HOA approval.

C. Analysis:

There are 17 clustered buildings, 132 individual units, and three typical unit sizes, 1708 s.f., 1459 s.f., and 604 s.f. The conversions of all proposed areas to private ownership will add either 163 or 194 s.f. to each unit. The LMC parking requirement for multi-unit dwellings stipulates that any unit between 1,000 - 2,499 s.f. requires two parking spaces per dwelling, and any unit under 1000 s.f. needs only one parking space. The total number of spaces required is 248. The HOA has stipulated that 312 parking spaces are available on site. The additional square footage does not trigger the need for expanded parking.

The condominium association has submitted to the City for review amended CC&R's. They have also provided confirmation of a homeowners' vote exceeding 2/3 majority to support this application (Exhibit B). In all cases, a certified survey can be required prior to issuance of a building permit to verify setbacks or other Land Management Code Regulations. A Condition of Approval will reflect this.

D. Department Review:
This project has gone through an interdepartmental review team. There are no outstanding issues. At such time as a final plat is required, the City Engineer and City Attorney will review the plat as to form and compliance with the Land Management Code prior to recordation.

Alternatives:

F. Approve the Request:
Approve the record of survey; or

G. Deny the Request:
Deny the record of survey; or

H. Continue the Item:
Request more information.

Significant Impacts:
Failure to amend the Record of Survey will prohibit unit owners from converting common atriums and other second story areas into private area.

Recommendation:
The staff recommends that the City Council conduct a public hearing, consider any input, and consider approving the amended record of survey based on the following findings of fact, conclusions of law and conditions of approval:

Findings of Fact:

1. The Planning Commission forwarded a unanimous recommendation to approve this record of survey at their December 10, 2003 meeting.
2. Since the inception of the Park Avenue Condominiums in 1973, a number of unit owners have made alterations to their units by converting common atrium areas into private unit space.
3. Consistent with the Condominium Ownership Act, Staff has prohibited any further conversions to private ownership of these common areas without an amendment

to the record of survey to allow them.

4. At this time, the applicant proposes modifications to the existing condominium record of survey to bring into compliance existing and any future privatization of these atrium areas. This application will also allow for the conversion of a small portion of existing second story areas located above the parking areas for each unit to also be converted to "Private Ownership B".
5. Through this amendment to the record of survey, these areas, if not already converted, can be subsequently enclosed at the discretion of the individual owner subject to HOA approval.
6. The proposed amended record of survey changes the type of ownership of common atrium areas to private ownership.
7. The members of the Homeowners Association received a vote of 66.66% or more for approval of the amendment. A record of the individual ballots confirming this vote has been received by the Planning Department.
8. There are 17 clustered buildings, 132 individual units, and three typical unit sizes, 1708 s.f., 1459 s.f., and 604 s.f.
9. The conversions of all proposed areas to private ownership will add either 163 or 194 s.f. to each unit.
10. The LMC parking requirement for multi-unit dwellings stipulates that any unit between 1,000 - 2,499 s.f. requires two parking spaces per dwelling, any unit under 1000 s.f. requires only 1 parking space. The parking requirement per the Park City Land Management Code is 248 spaces, the HOA has stipulated that 312 parking spaces are available. The additional square footage does not trigger the need for expanded parking.

Conclusions of Law:

1. There is good cause for this Amended Record of Survey.
2. The Amended Record of Survey is consistent with the Park City Land Management Code and applicable State law regarding condominium plats.
3. Neither the public nor any person will be materially injured by the proposed Amended Record of Survey.
4. Approval of the Amended Record of Survey, subject to the conditions stated below, does not adversely affect the health, safety and welfare of the citizens of Park City.

Conditions of Approval:

1. The City Attorney and City Engineer will review and approve the final form and content of the Amended Record of Survey for compliance with State law, the Land Management Code, and the conditions of approval, prior to recordation of the plat.
2. The applicant will record the Amended Record of Survey at the County within one year from the date of City Council approval. If recordation has not occurred within one year's time, this approval and the plat will be void.
3. All other conditions of approval of the Park Avenue Condominiums project continue to apply.
4. In all cases where necessary in the opinion of the Planning Department, a

certified survey can be required prior to issuance of a building permit to verify setbacks or other Land Management Code Regulations.

5. Converted Private areas cannot be used to create a lockout unit.

EXHIBITS

Exhibit A – Ordinance
Exhibit B - Proposed Record of Survey
Exhibit C – Ballot (typical)

Exhibit A
Ordinance No. 03-

AN ORDINANCE APPROVING AN AMENDED RECORD OF SURVEY FOR PARK AVENUE CONDOMINIUMS, LOCATED AT 1680 PARK AVENUE, PARK CITY, UTAH.

WHEREAS, the owner of the property known as 1680 Park Avenue, has petitioned the City Council for approval of a plat amendment; and

WHEREAS, proper notice was sent and the property posted according to requirements of the Land Management Code and State Law; and

WHEREAS, on December 10, 2003 the Planning Commission held a public hearing to receive public input on the proposed amendment to the record of survey and forwarded a positive recommendation of approval to the City Council; and

WHEREAS, the proposed amendment to the record of survey allows the property owner to convert common areas to private; and

WHEREAS, it is in the best interest of Park City Utah to approve the amended record of survey.

NOW, THEREFORE, BE IT ORDAINED by the City Council of Park City, Utah as follows:

SECTION 1. FINDINGS OF FACT. The above recitals are hereby incorporated as findings of fact. The following are also adopted by City Council as findings of fact:

1. The Planning Commission forwarded a unanimous recommendation to approve this record of survey at their December 10, 2003 meeting.
2. Since the inception of the Park Avenue Condominiums in 1973, a number of unit owners have made alterations to their units by converting common atrium areas into private unit space.
3. Consistent with the Condominium Ownership Act, Staff has prohibited any further conversions to private ownership of these common areas without an amendment to the record of survey to allow them.
4. At this time, the applicant proposes modifications to the existing condominium record of survey to bring into compliance existing and any future privatization of these atrium areas. This application will also allow for the conversion of a small portion of existing second story areas located above the parking areas for each unit to also be converted to "Private Ownership B".
5. Through this amendment to the record of survey, these areas, if not already converted, can be subsequently enclosed at the discretion of the individual owner subject to HOA approval.
6. The proposed amended record of survey changes the type of ownership of common atrium areas to private ownership.
7. The members of the Homeowners Association received a vote of 66.66% or more for approval of the amendment. A record of the individual ballots confirming this vote has been received by the Planning Department.

8. There are 17 clustered buildings, 132 individual units, and three typical unit sizes, 1708 s.f., 1459 s.f., and 604 s.f.
9. The conversions of all proposed areas to private ownership will add either 163 or 194 s.f. to each unit.
10. The LMC parking requirement for multi-unit dwellings stipulates that any unit between 1,000 - 2,499 s.f. requires two parking spaces per dwelling, any unit under 1000 s.f. requires only 1 parking space. The parking requirement per the Park City Land Management Code is 248 spaces, the HOA has stipulated that 312 parking spaces are available. The additional square footage does not trigger the need for expanded parking.

Conclusions of Law:

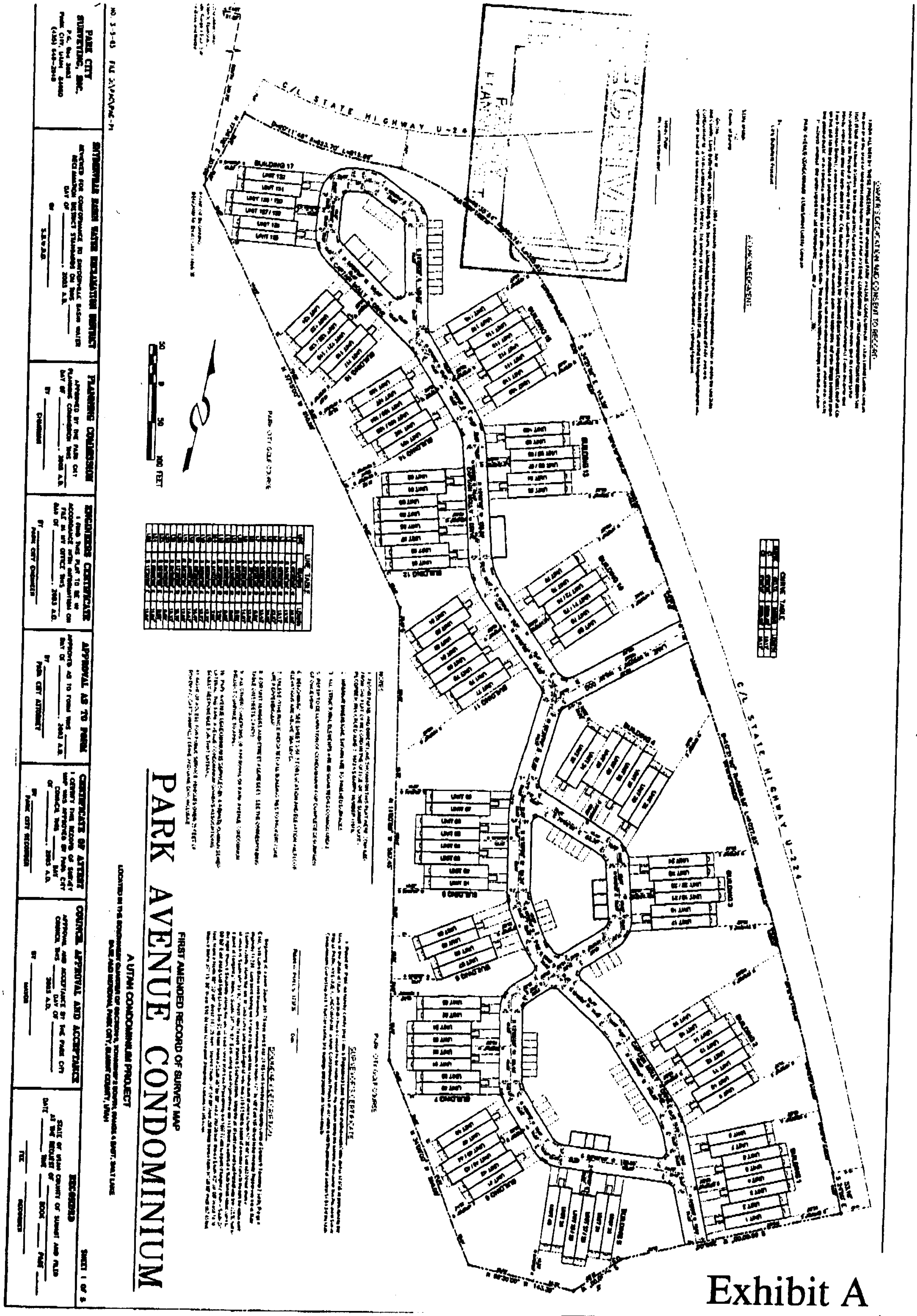
1. There is good cause for this Amended Record of Survey.
2. The Amended Record of Survey is consistent with the Park City Land Management Code and applicable State law regarding condominium plats.
3. Neither the public nor any person will be materially injured by the proposed Amended Record of Survey.
4. Approval of the Amended Record of Survey, subject to the conditions stated below, does not adversely affect the health, safety and welfare of the citizens of Park City.

Conditions of Approval:

1. The City Attorney and City Engineer will review and approve the final form and content of the Amended Record of Survey for compliance with State law, the Land Management Code, and the conditions of approval, prior to recordation of the plat.
2. The applicant will record the Amended Record of Survey at the County within one year from the date of City Council approval. If recordation has not occurred within one year's time, this approval and the plat will be void.
3. All other conditions of approval of the Park Avenue Condominiums project continue to apply.
4. In all cases where necessary in the opinion of the Planning Department, a certified survey can be required prior to issuance of a building permit to verify setbacks or other Land Management Code Regulations.
5. Converted Private areas cannot be used to create a lockout unit.

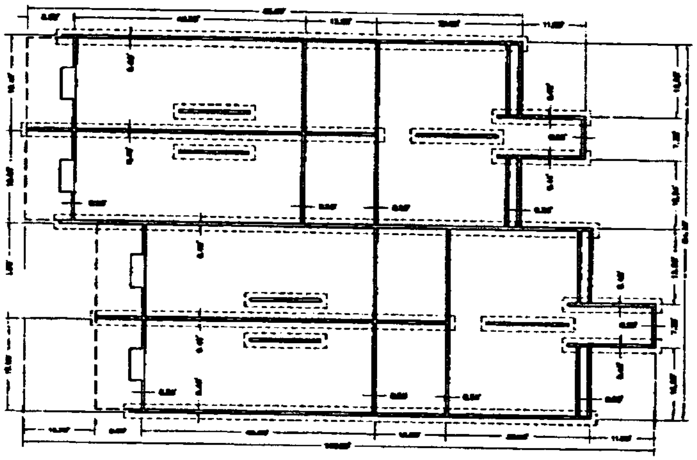
SECTION 4. EFFECTIVE DATE. This Ordinance shall take effect upon publication.

PASSED AND ADOPTED this 18th day of December, 2003.

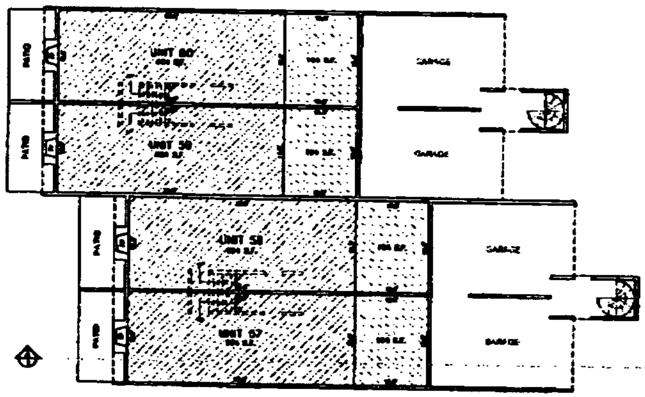


PARK AVENUE CONDOMINIUM
FIRST AMENDED RECORD OF SURVEY MAP
A UTAH CONDOMINIUM PROJECT
C/L STATE HIGHWAY U-224
PARK CITY SURVEYING, INC.
SNYDERVILLE BASIN WATER RECLAMATION DISTRICT
PLANNING COMMISSION
ENGINEERS CERTIFICATE
APPROVAL AS TO FORM
CERTIFICATE OF ATTEST
COUNCIL APPROVAL AND ACCEPTANCE
RECORDED
LINE TABLE
CURVE TABLE
SURVEYOR'S CERTIFICATE
OWNER'S DEDICATION AND CONSENT TO RECORD
NOTES
100 FEET

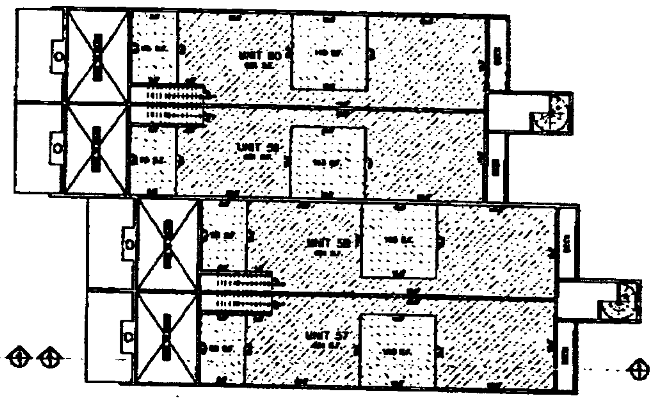
Exhibit A



FOUNDATION PLAN - BUILDING TYPE "A1"
BUILDING 8



FIRST FLOOR PLAN - BUILDING TYPE "A1"
BUILDING 8



SECOND FLOOR PLAN - BUILDING TYPE "A1"
BUILDING 8

SQUARE FOOTAGE TABLE

PLAT UNIT NO	AREA "A"	AREA "B"	TOTAL
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]

UNIT NO. & ADDRESS TABLE

PLAT UNIT NO	CURRENT UNIT NO	ADDRESS
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

LEGEND

S.F. REPRESENTS SQUARE FEET

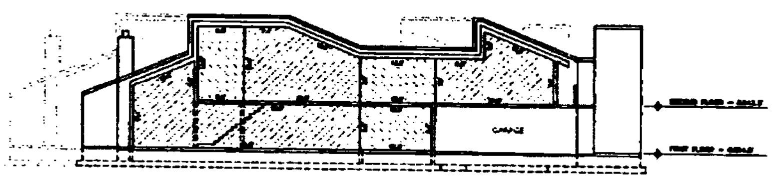
COMMON OWNERSHIP

PRIVATE OWNERSHIP "A"

PRIVATE OWNERSHIP "B"

NOTES:

[illegible]



CROSS SECTION PLAN "A1" - BUILDING TYPE "A1"
BUILDING 8
Odd numbered Units are mirror images of Even numbered Units

OCT 24 2003

FIRST AMENDED RECORD OF SURVEY MAP

PARK AVENUE CONDOMINIUM

A UTAH CONDOMINIUM PROJECT

SHEET 2 OF 8

RECORDED
STATE OF UTAH, COUNTY OF SUMMIT AND FILED AT THE REQUEST OF ______
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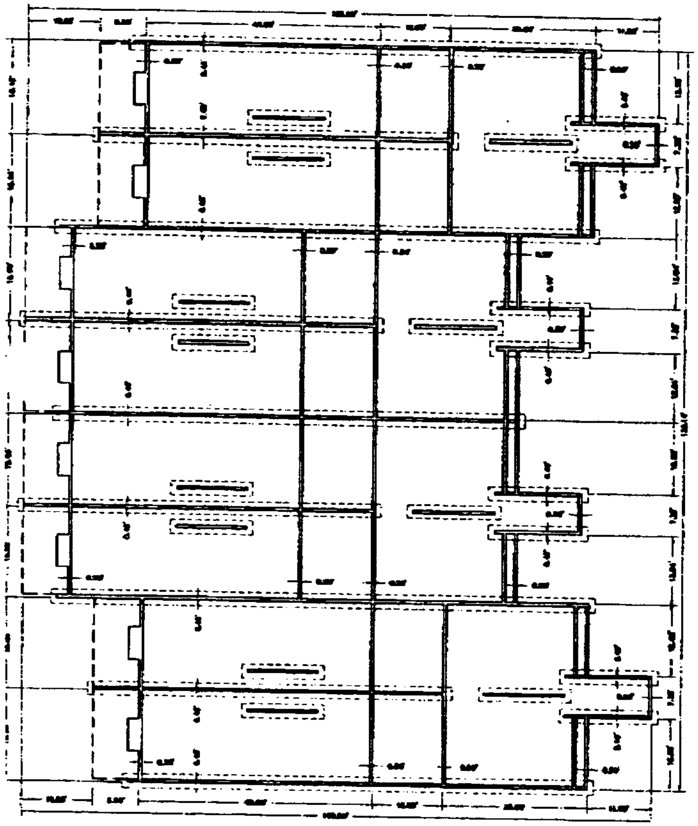
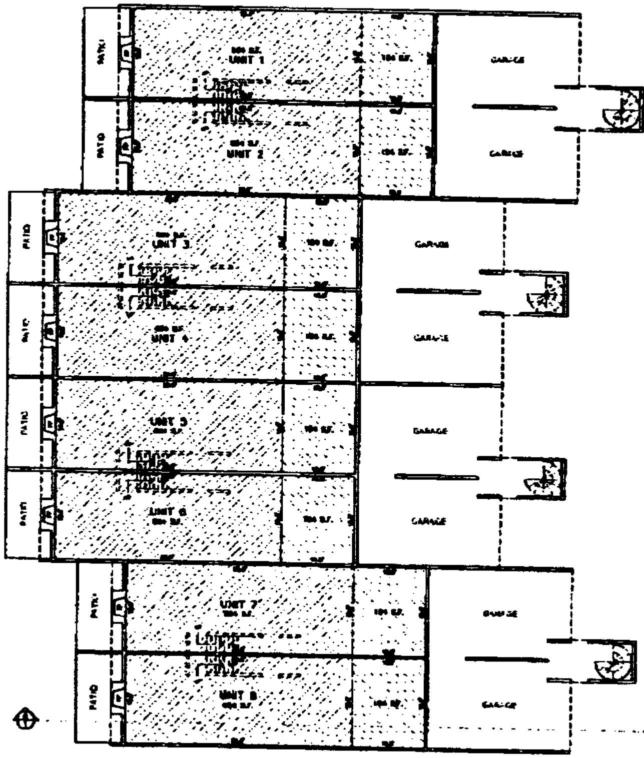
JOB NO. 3-3-03



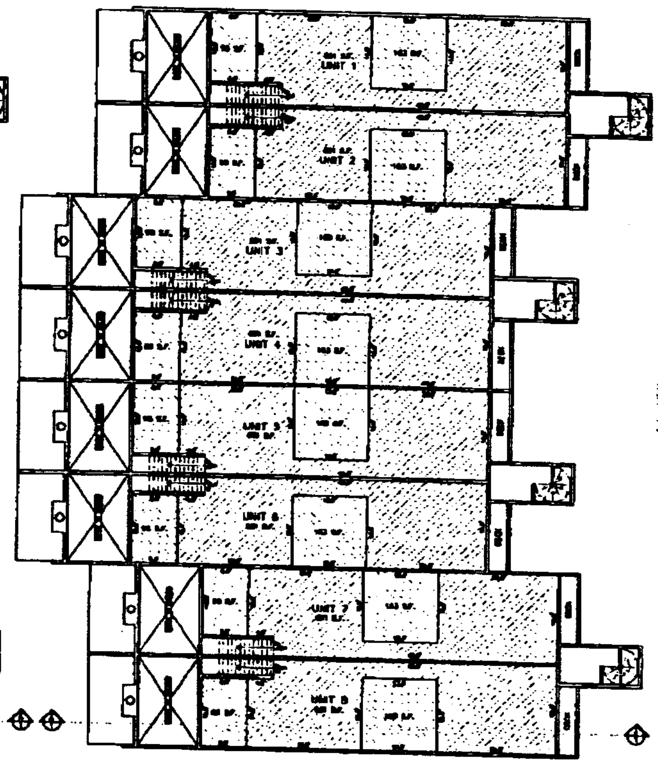
FOUNDATION PLAN - BUILDING TYPE "B"

Dimensions are the same for Units 1-8, 9-16, 25-32, 49-56, 61-68, 77-84, 85-92, 109-116 and Buildings 1, 2, 4, 7, 9, 11, 12, and 15 respectively



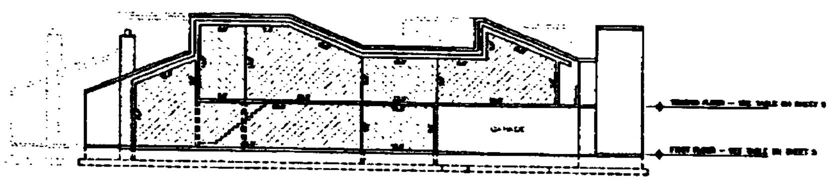
FIRST FLOOR PLAN - BUILDING TYPE "B"

Dimensions are the same for Units 1-8, 9-16, 25-32, 49-56, 61-68, 77-84, 85-92, 109-116 and Buildings 1, 2, 4, 7, 9, 11, 12, and 15 respectively



SECOND FLOOR PLAN - BUILDING TYPE "B"

Dimensions are the same for Units 1-8, 9-16, 25-32, 49-56, 61-68, 77-84, 85-92, 109-116 and Buildings 1, 2, 4, 7, 9, 11, 12, and 15 respectively



CROSS SECTION PLAN "A1" - BUILDING TYPE "B"

Dimensions are the same for Units 1-8, 9-16, 25-32, 49-56, 61-68, 77-84, 85-92, 109-116 and Buildings 1, 2, 4, 7, 9, 11, 12, and 15 respectively
Odd numbered Units are mirror images of Even numbered Units

NOTES:

1. [illegible]
2. [illegible] DIMENSIONS SHOWN ARE TO FINISHED SURFACES
3. [illegible]
4. REFER TO DECLARATION OF CONDOMINIUM FOR COMPLETE DESCRIPTION OF OWNERSHIP
5. [illegible]
6. [illegible]
7. [illegible]
8. [illegible]
9. [illegible]
10. [illegible]
11. [illegible]

NOTE:
See Sheet 5 of 5 for Square Footage Table, Unit No. & Address Table and Floor Elevation Table

LEGEND

- COMMON OWNERSHIP
- PRIVATE OWNERSHIP "A"
- PRIVATE OWNERSHIP "B"

FIRST AMENDED RECORD OF SURVEY MAP

PARK AVENUE CONDOMINIUM

A UTAH CONDOMINIUM PROJECT

SHEET 3 OF 5

OCT 24 2003

RECORDED
STATE OF UTAH, COUNTY OF SUMMIT AND FILED AT THE REQUEST OF ______
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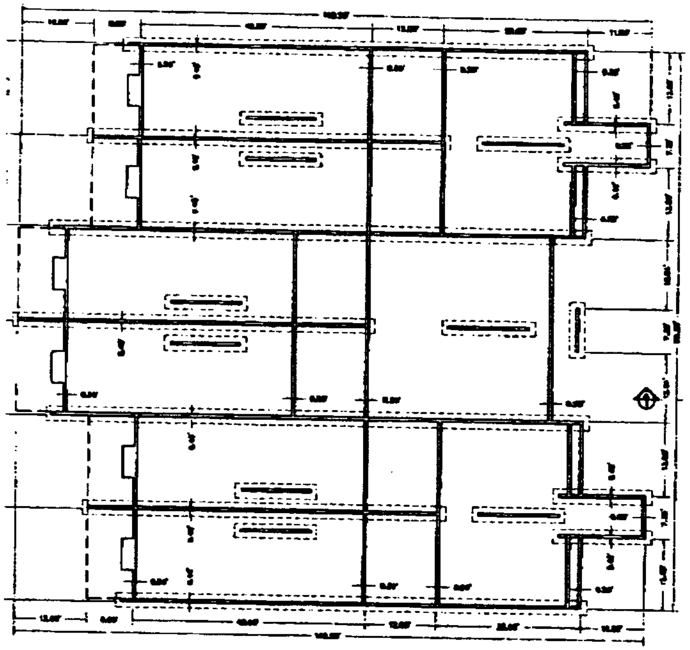
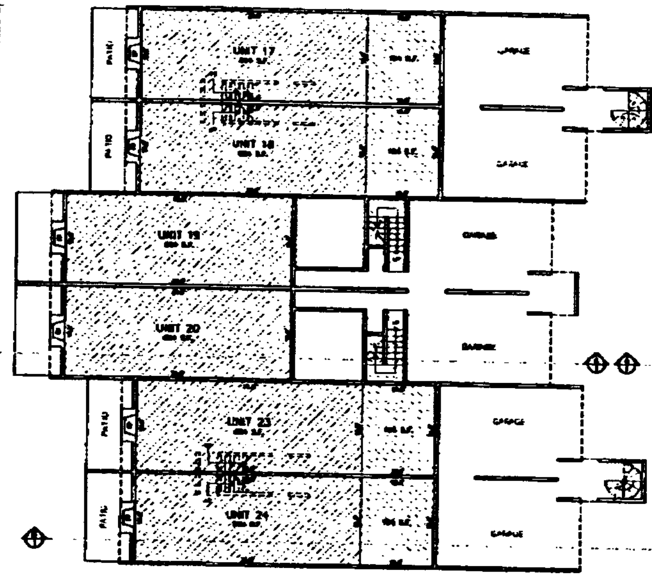
FEE ______ RECORDER ______

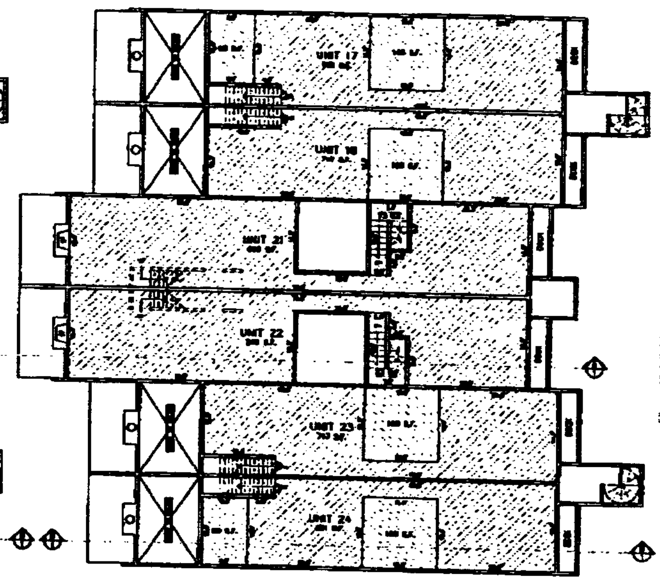
JOB NO. 3-3-05



FOUNDATION PLAN - BUILDING TYPE "C"



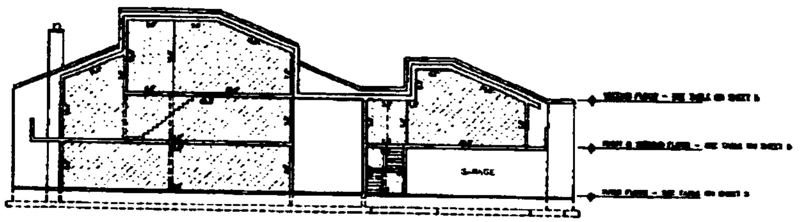
FIRST FLOOR PLAN - BUILDING TYPE "C"



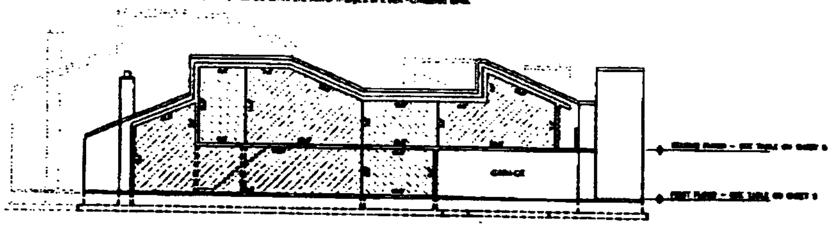
SECOND FLOOR PLAN - BUILDING TYPE "C"

NOTE:

See Sheet 5 of 5 for Square Footage Table Unit No & Address Table and Floor Elevation Table



CROSS SECTION PLAN "A1" - BUILDING TYPE "C"



CROSS SECTION PLAN "B1" - BUILDING TYPE "C"

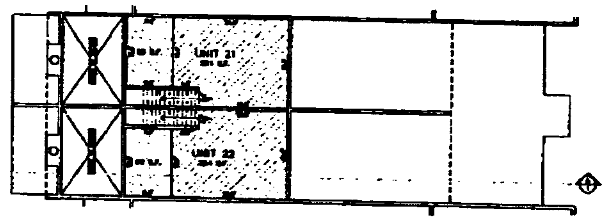
LEGEND

COMMON OWNERSHIP

PRIVATE OWNERSHIP "A"

PRIVATE OWNERSHIP "B"

NOTES:



THIRD FLOOR PLAN - BUILDING TYPE "C"

FIRST AMENDED RECORD OF SURVEY MAP

PARK AVENUE CONDOMINIUM

A UTAH CONDOMINIUM PROJECT

SHEET 4 OF 5

RECORDED

STATE OF UTAH, COUNTY OF SUMMIT AND FILED AT THE REQUEST OF

DATE ____ TIME ____ BOOK ____ PAGE ____

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OCT 24 2003

FLOOR ELEVATION TABLE

PLAT UNIT NO	FIRST FLOOR	SECOND FLOOR
[illegible]	[illegible]	[illegible]

FLOOR ELEVATION TABLE

PLAT UNIT NO	FIRST FLOOR	SECOND FLOOR
[illegible]	[illegible]	[illegible]

FLOOR ELEVATION TABLE

PLAT UNIT NO	FIRST FLOOR	SECOND FLOOR
[illegible]	[illegible]	[illegible]

FLOOR ELEVATION TABLE

PLAT UNIT NO	FIRST FLOOR	SECOND FLOOR
[illegible]	[illegible]	[illegible]

NOTES

1. FLOOR PLANS AND DIMENSIONS SHOWN ON THIS PLAT WERE COMPILED FROM THE PLAT OF RECORD IN THE OFFICE OF THE SUMMIT COUNTY RECORDER, RECORDED JUNE 1, 1979 AS ENTRY NUMBER [illegible]
2. INTERIOR DIMENSIONS SHOWN ARE TO FINISHED SURFACES
3. ALL STRUCTURAL ELEMENTS ARE DESIGNATED AS COMMON AREAS
5. REFER TO DECLARATION OF CONDOMINIUM FOR COMPLETE DESCRIPTION OF OWNERSHIP
6. BENCHMARK: SEE SHEET 1 OF 5 FOR LOCATION AND ELEVATION. ALL FLOOR ELEVATIONS ARE ABOVE SEA LEVEL
7. UNLESS OTHERWISE INDICATED, ALL BUILDING TIES TO PROPERTY LINE ARE PERPENDICULAR
8. FOR UNIT NUMBERS AND STREET ADDRESSES, SEE THE CORRESPONDING TABLE ON SHEETS 3 AND 5
9. ALL OTHER CONDITIONS OF APPROVAL OF PARK AVENUE CONDOMINIUM PROJECT CONTINUE TO APPLY
10. PARK AVENUE CONDOMINIUM IS SERVICED BY A PRIVATE COMMON SEWER LATERAL. THE PARK AVENUE CONDOMINIUM OWNERS ASSOCIATION IS SOLELY RESPONSIBLE FOR THAT LATERAL
11. RIGHT OF ACCESS FOR PUBLIC SERVICE VEHICLES OVER 25 FEET OF ROADWAY, CAPTAIN MOLLY DRIVE AND LANE [illegible], INCLUSIVE

SQUARE FOOTAGE TABLE

PLAT UNIT NO	AREA "A"	AREA "B"	TOTAL
[illegible]	[illegible]	[illegible]	[illegible]

SQUARE FOOTAGE TABLE

PLAT UNIT NO	AREA "A"	AREA "B"	TOTAL
[illegible]	[illegible]	[illegible]	[illegible]

SQUARE FOOTAGE TABLE

PLAT UNIT NO	AREA "A"	AREA "B"	TOTAL
[illegible]	[illegible]	[illegible]	[illegible]

SQUARE FOOTAGE TABLE

PLAT UNIT NO	AREA "A"	AREA "B"	TOTAL
[illegible]	[illegible]	[illegible]	[illegible]

UNIT NO. & ADDRESS TABLE

PLAT UNIT NO	CURRENT UNIT NO	ADDRESS
[illegible]	[illegible]	[illegible]

UNIT NO. & ADDRESS TABLE

PLAT UNIT NO	CURRENT UNIT NO	ADDRESS
[illegible]	[illegible]	[illegible]

UNIT NO. & ADDRESS TABLE

PLAT UNIT NO	CURRENT UNIT NO	ADDRESS
[illegible]	[illegible]	[illegible]

UNIT NO. & ADDRESS TABLE

PLAT UNIT NO	CURRENT UNIT NO	ADDRESS
[illegible]	[illegible]	[illegible]

FIRST AMENDED RECORD OF SURVEY MAP

PARK AVENUE CONDOMINIUM

A UTAH CONDOMINIUM PROJECT

[illegible] SUMMIT COUNTY, UTAH

SHEET 5 OF 5

RECORDED

STATE OF UTAH, COUNTY OF SUMMIT AND FILED AT THE REQUEST OF ______

DATE ______ TIME ______ BOOK ______ PAGE ______

______ FEE ______ RECORDER

JOB NO: 8-3-03 D:\PAC\PAC-P5

OCT 24 2003

Park Avenue Condominium Association
Park City, Utah

February 7, 2000

Dear Condo Unit Owner,

Enclosed please find a proposed amendment to our declarations, and a ballot for you to record your approval and mail back to us at your earliest convenience in the envelope provided.

In the past, a number of unit owners have made alterations to their units by making the atrium a part of their unit. This has been done with the approval of the Board and Park City. The City is now saying they will no longer allow such alterations unless the declarations are amended to provide for it. The proposed amendment if approved by 100% of the unit owners will give the Board and Park City the authority to approve such alterations.

We urge your approval of this amendment. If you have questions or comments regarding this matter, please call Larry Butterfield, Dick Nelson, or any of the Board members.

Your prompt attention to this matter will be greatly appreciated.

Sincerely yours,

PARK AVENUE CONDOMINIUM ASSOCIATION.

OCT 24 2000

Larry Butterfield
PRES.

Exhibit B

PARK AVENUE CONDOMINIUMS
BALLOT AND CONSENT FORM

The undersigned Unit Owner hereby consents to the proposed Atrium Alteration Amendment to the Park Avenue Declaration of Condominium.

Date: May 9 - 2000

Unit: PA U#208

Name: Elisabeth Halvorson
(Print)

Signature: EE Halvorson

City Council Staff Report

Author: Alison Butz
Subject: Sundance Film Festival
Date: December 18, 2003
Type of Item: Administrative – Supplemental Plan

PARK CITY 1884

Special Events and Facilities Department

Summary Recommendations:
Review the 2nd Amendment and Supplemental Plan between the Sundance Institute and Park City Municipal Corporation, conduct a public hearing, and consider approving the addendum clarifying supplemental plans for the Sundance Film Festival.

Topic:
Review of the 2nd Amendment and Supplemental Plan between the Sundance Institute and Park City Municipal Corporation.

Background:
Through discussions between the City and the Sundance Institute, a plan has been developed to assist with the increased pedestrian traffic on Main Street during the first weekend of the festival as well as to control crowds outside of larger venues on Main Street. With the increase in pedestrians and the narrow sidewalks on Main Street, a large percentage of people start walking in the middle of the street. The larger venues on Main Street also see an increase in the lines to enter their establishments. At times, these lines wind through the parked cars and into Main Street Traffic. The placement of the barricades will contain these issues. The Main Street Business Alliance is supportive of the plan.

The first weekend of the Sundance Film Festival is from Friday, January 16th through Monday, January 19th. During the first weekend the pedestrian traffic on Main Street is at its peak. Along with the standard festival traffic, the Sundance Institute is hosting a free celebration, "Music on Main", on lower Main Street the first Saturday evening from 7:30pm until 10:00pm.

Analysis:
The supplemental plan for the Sundance Film Festival describes barricading the east side of Main Street with bicycle barricades. The barricades would prevent street parking on the east side, however it will increase the pedestrian area and sidewalk. Openings will be left every 30 – 40 feet as well as at crosswalks to allow pedestrians to cross Main Street.

The plan also places bicycle barricades in front of significant venues on the west side of the street including the Main Street Mall and the Memorial Building (Harry O's and O'Shucks). The west side will also be barricaded closer to the Main Street and Heber

Avenue intersection to keep pedestrians on the sidewalks and crossing in the crosswalks.

Beginning early in the morning of Friday, January 16th, the barricades will be placed in their designated locations. They will remain up through Monday. If there is a significant snowfall, the Public Works Department will move the barricades to clean the snow on the street and then replace the barricades. First thing on Tuesday, January 20th most of the barricades will be removed. The Sundance venues, Riverhorse and Harry O's will continue to have barricades for the duration of the festival to help control the crowds. No outside activities or additional signage, other than "no parking" and "drop-off zone" signs are proposed or permitted with the barricading plan.

Deliveries will occur as usual on Main Street, and there is no curb garbage pick-up on the east side so no alternative plan is needed.

Main Street Merchants
The plan has been presented to the Main Street Business Alliance and Staff has distributed handouts to each business on Main Street. The Main Street Business Alliance is supportive of the plan.

Parking and Transportation
Since the plan will remove parking on the east side of the street (90 parking spaces), alternative parking lots have been designated. During the day on Saturday, Sunday and Monday, signs will be used to direct traffic to park at the schools. Evening parking will be accommodated at Park City Mountain Resort. These shuttle lots will not only make up for lost parking on Main Street, but also provide additional parking which is always needed during the festival. The number of buses between Park City Mountain Resort and the Transit Center will be increased to accommodate the larger capacity needed on those two nights.

Advertising of the shuttle lots will be done through the use of electronic signs, PSAs, daily radio spots and will be stated within Sundance's advertising.

Traffic
Traffic movement on Main Street should be assisted by the barricade placement. Typically during Sundance pedestrians walk in the street and lines for larger venues wind into traffic. The placement of the barricades will contain people and keep them closer to the sidewalks.

Traffic at the intersection of Main Street and Heber Avenue will also be assisted by volunteers at the intersection holding pedestrian traffic, at times, allowing cars to move more quickly through the intersection. Vehicles will still need to obey the four-way stop, but will not be inhibited by pedestrians in the crosswalk.

Fees

The increased capacity needed for transportation from Park City Mountain Resort to the Transit Center on Friday and Saturday night will be provided by Sundance through their contract with Lewis Bros. The waivers shown on the fee estimate are for the barricading of Harry O's and the Riverhorse through the remainder of the festival. The Police Department requested those areas barricaded to assist with crowd control. The cost of reserving Main Street parking spaces has also been waived. This is consistent with fees waived for other events on Main Street.

Department Review:

The Engineering, Transit, Parking, Streets, Police, and Planning Departments have reviewed this plan. Their comments were included when developing the overall plan. The Police Department is supportive of keeping the larger Main Street venues barricaded for the entire festival to assist with crowd control.

ALTERNATIVES

A. Approve the 2nd Amendment and Supplemental Plan to the Memorandum of Understanding between the Sundance Institute and Park City Municipal Corporation to allow the barricading of parking spaces on Main Street.

B. Modify the parameters of the plan and approve the 2nd Amendment and Supplemental Plan to the Agreement between the Sundance Institute and Park City Municipal Corporation to allow the barricading of parking spaces on Main Street.

C. Deny the 2nd Amendment and Supplemental Plan, thereby preventing the barricading of parking spaces on Main Street.

D. The City Council may continue the hearing for more information and discussion.

Recommendation:

Staff recommends approval of the 2nd Amendment and Supplemental Plan to the Agreement between the Sundance Institute and Park City Municipal Corporation allowing the barricading of parking spaces on Main Street during the Sundance Film Festival:

Findings of Fact:

1. The barricading of parking spaces on the east side of Main Street, and larger venues on the west side of Main Street will occur from Friday, January 16th through Monday, January 20th. Barricades will remain in front of Sundance venues, the Riverhorse and Harry O's throughout the entire festival. Shuttle parking lots will provide parking and will be located at the schools and Park City Mountain Resort.
2. By providing alternative parking lots, the impacts from the barricading should be limited. The conduct of the barricading plan will not substantially interrupt or prevent the safe and orderly movement of public transportation or other vehicular and pedestrian traffic in the area of its Venue.
3. The barricading of portions of the parking on Main Street will not require the diversion of so great a number of police, fire, or other essential public employees

from their normal duties as to prevent reasonable police, fire, or other public services protection to the remainder of the City.

4. Additional parking lots will be used to reduce impacts from the number of parking spaces taken on Main Street. The concentration of persons, vehicles, or animals will not unduly interfere with the movement of police, fire, ambulance, and other emergency vehicles on the streets or with the provision of other public health or safety services.
5. The organizer is providing adequate insurance for the event.
6. By barricading a portion of parking on Main Street the activities on Main Street events will not create an imminent possibility of violent disorderly conduct likely to endanger public safety or cause significant property damage.
7. The applicant has been working with City Staff and applicable departments to address all event concerns. The Applicant does not demonstrate an inability or unwillingness to conduct the event pursuant to the terms and conditions of this Chapter or has failed to conduct a previously authorized event in accordance with the law or the terms of a license, or both.
8. The 2nd Amendment and Supplemental Plan to the Agreement between the Sundance Institute and Park City Municipal Corporation is consistent with the City Council's Goal #5 which is to promote an enhanced vitality on Main Street is also met by this event.

Conclusions of Law:

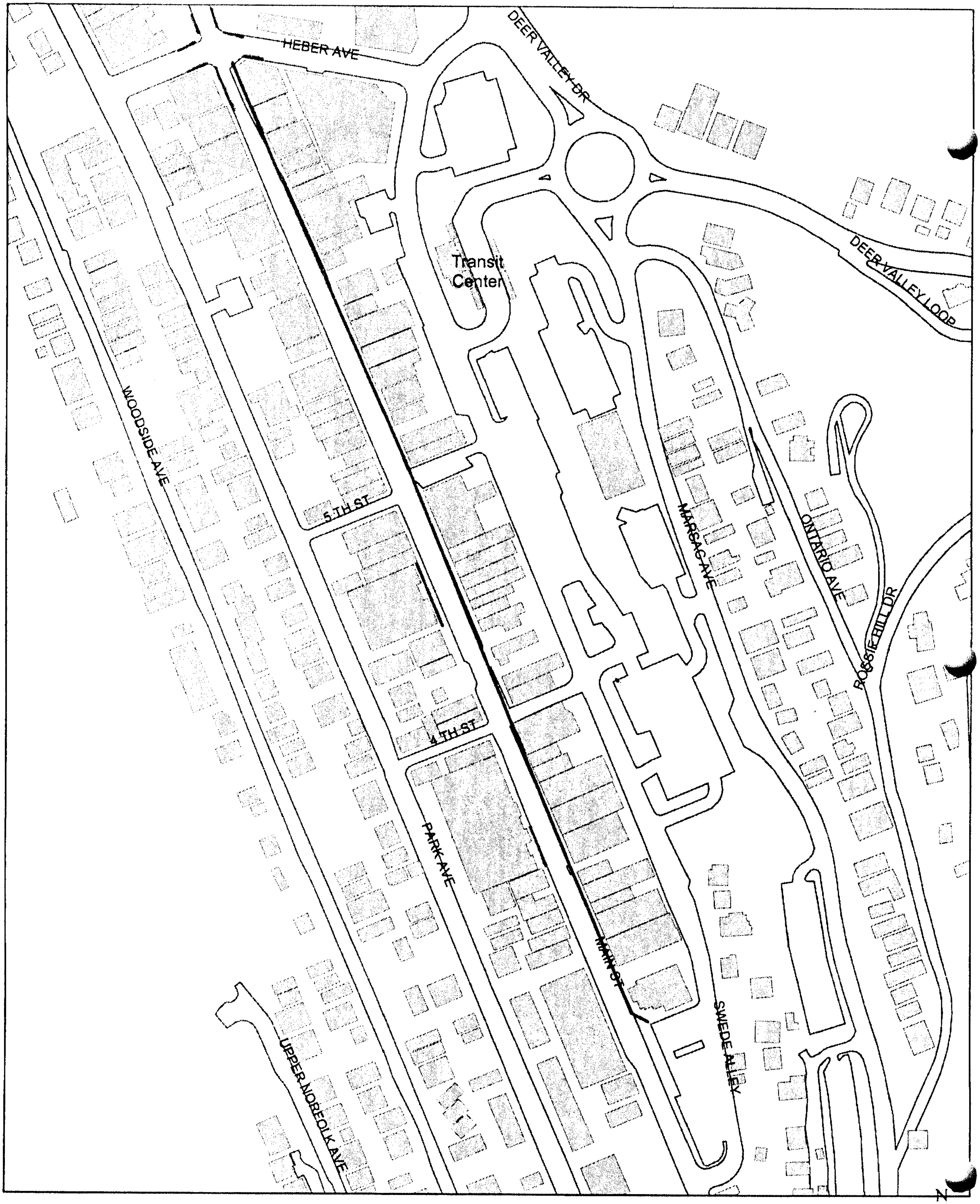
1. The application is consistent with the requirements of the Park City Municipal Code, Title 4, Chapter 8.

Conditions of Approval:

1. The Applicant will work with Staff in order to ensure that any safety, health, or sanitation equipment, and services or facilities reasonably necessary to ensure that the event will be conducted with due regard for safety are provided and paid for by the Applicant.
2. The Applicant shall provide to the Special Events Manager proof of liability insurance as may be required by the Special Events Manager or the City Attorney's Office, and shall further name Park City Municipal Corporation as an additional insured.
3. Free Speech Zone and Temporary Parking Restrictions, as approved by the City Manager and City Attorney will be established for the Historic Main Street zone(s) and Sundance Venues similar to the designated zones during the Olympics.

Exhibits:

Exhibit A - Map of Impacted Area
Exhibit B – Estimated Fees
Exhibit C – Supplemental Plan, Exhibit "J"



PARK CITY

MAIN STREET

Exhibit B

PARK CITY 1884 ESTIMATED EXPENDITURES Sundance Film Festival	Special Events Department P.O. Box 1480 Park City, UT 84060 (435)615-5151 Fax: (435) 615-4911	
SERVICE DESCRIPTION	**AMOUNT WAIVED**	**FEES**
Streets Department		
Barricade Rental @ 2.23/barricade/day (300, 4 days)	**$0.00**	**$2676.00**
Barricade Rental @ 2.23/barricade/day (50, 6 days)	**$294.36**	**$669.00**
Additional Electronic Signs @ $300/sign/day (1 sign, 4 days)	**$0.00**	**$1200.00**
Snow Removal @ $800.00/day (During significant snowfall)	**$0.00**	**$137.25**
Additional "no parking" signs and "drop zone" signs	**$0.00**	**$400.00**
Special Use of Parking		
Main Street Parking @ $12/space/day (112 spaces, 4 days)	**$5376.00**	**$5376.00**
Main Street Parking @ $12/space/day (20 spaces, 6 days)	**$1444.00**	**$1440.00**
Transit Department		
No additional transit needed. Additional capacity provided through Sundance's contract with Lewis Bros.	**$0.00**	**$0.00**
TOTAL	**$7114.36**	**$15255.25**
Waived Amount		**$7114.36**
TOTAL BILL		**$8140.89**

Exhibit C
EXHIBIT "J" TO
MASTER FESTIVAL LICENSE AND CITY SERVICES AGREEMENT

USE AREA: Main Street

Use Area: East side of Main Street from the Wasatch Brew Pub to Heber Avenue and West side venues (Main Street Mall and War Memorial Building)

Use Period: 1/16, 2004 – 1/20, 2004

Use Area: East side venues (Plan B, Egyptian Theater, Elks Building, Riverhorse) and and West side venues (Main Street Mall and War Memorial Building)

Use Period: 1/20, 2004 – 1/25, 2004

Intended Use: Crowd control in front of large venues and enhanced pedestrian areas.

Type of Use: Pedestrian

Basic City Services: Park City shall place the barricades, provide snow removal and place "no parking" and "drop zone" signs

Access Control: None

Traffic Control: None

Main Street Business Alliance

•• P.O. Box 1348 •• Park City, Utah 84060 ••
Voicemail: 435/649-6100 x: 105
HMBA@parkcityinfo.com
www.parkcitymainstreet.org

December 12, 2003

The Honorable Mayor Dana Williams & City Council Members
Park City Municipal Corporation
PO Box 1480
Park City, UT 84060

Dear Mayor Williams and Members of the City Council,

On behalf of the board of directors of the Historic Main Street Business Alliance, I would like to express our support for the proposed plan for parking and traffic flow on Main Street during the 2004 Sundance Film Festival.

In October, representatives from the Festival approached the board for input on creating a new parking and traffic flow plan. Following that, Alison Butz made a presentation to the board of directors in November and provided a handout detailing the plan. The board reviewed the information, asked questions, and felt that the plan appropriately addressed the needs of the Festival as well as those of Main Street businesses in allowing them to continue their operations.

We strongly urge you to support this plan, and I thank you for your time spent on this effort.

With appreciation,

Rick Anderson
President
Board of Directors, Main Street Business Alliance

City Council
Staff Report

Author:	**Cindy LoPiccolo**
Subject:	**2004 Insurance Renewal**
Date:	**December 18, 2003**
Type of Item:	**Administrative**

PARK CITY 1881

Legal Department

Summary Recommendations:
Authorize the following insurance premium payments for workers compensation, property, public entity broad form liability, and crime insurance covering a one-year period from January 1, 2004 through January 1, 2005:

- \$ 98,829 to States Self-Insurers Risk Retention Group, Inc. for public entity broad form liability insurance, \$250,000 Self Insured Retention (SIR);
- \$116,713 to Workers Compensation Fund ("WCF") for workers compensation insurance;
- \$ 42,078 to Lloyds of London for property insurance;
- \$ 3,361 to Travelers for Public Officials Employee Dishonesty (Crime);
- Self insure physical damage coverage for City buses; and
- Decline optional Terrorism Risk Insurance.

DESCRIPTION

Topic:

2004 Insurance Renewal.

Background:

Insurance Market Status.

Through the year, Marsh USA Risk and Insurance Services and Berkley Risk Administrators, Inc., helped keep the Legal Department informed of the current insurance market trends and status. Staff also reviewed miscellaneous insurance and risk management publications and articles for market indications.

Good news: The property insurance market has stabilized and there is a possible end of the hard market by next year.

Bad news: Workers compensation costs are once again rising. Since 2000, most employers have been hit annually by double-digit rate increases and some limited availability. WCF has once again increased premiums due to higher medical costs. Because it is mandated and controlled by Utah state laws, the City faces constraints in funding and handling the workers compensation obligations. The Legal and Human Resources Departments and Marsh USA Risk and Insurance Services representatives are reviewing options for the City to minimize the cost and duration of claims, which is the primary cost driver of this mandatory coverage.

General liability and property premiums are projected to rise and/or limits reduced/deductibles increased at least through 2005 as the insurance industry recapitalizes after several draining years. Clients are taking higher deductibles, more than half are self-insuring at least a portion of their risks, and some are even going bare. Reinsurers are stingy in coverage and committed to premium hikes. Risk managers working on January 1 renewals, like us, are coping with a difficult renewal season and facing many challenges including "selling" their risks to underwriters. The biggest challenge is the continued hard market and ongoing rate increases. Some underwriters are treating innocuous risks the same as large risks and insured such as the City must have correct safety procedures, processes and prevention methodologies in place so that risks are mitigated.

States Self-Insurers Risk Retention Group Program.

Last year was the first year the City used the States Self-Insurers Risk Retention Group program for public entity broad form liability insurance and have found States and Berkley Risk Administrators Company underwriters, risk management advisers, and membership network to be highly responsive, supportive and informed.

States is a Vermont domiciled and licensed stock insurance company, formed in 1987 to meet the long-term excess liability needs of public entities and registered in most other states under the federal Risk Retention Act of 1986 to conduct the business of providing excess liability insurance coverage for its Members-Insured. In the state of Utah, States members include City of Bountiful, Davis County Corporation, Murray City Corporation, City of Provo, City of St. George, City of South Salt Lake, and South Utah Valley Solid Waste District. H. Craig Hall, Attorney, City of South Salt Lake, serves as Secretary on the States Self-Insurers Trust Board of Trustees and Director on the States Self-Insurers Risk Retention Group, Inc. Board of Directors. Don Wetzel, Murray City Corporation, serves as Trustee on the States Self-Insurers Trust Board of Trustees.

Analysis:

Public Broad Form Liability:

Public Broad Form Liability cost of coverage: $98,829. A renewal application was submitted to States Self-Insurers Risk Retention Group, Inc. ("States") for a one year public entity broad form liability policy covering 2004, which includes general liability, employment practices liability, automobile liability, law enforcement liability, and public officials error and omission liability. The States public entity broad form liability coverage proposal provides limits of $5 million, and requires a $250,000 self-insured retention limit, the same as last year. The States plan additionally includes employment practices liability, claim defense and liability loss control services through its affiliate Berkley Risk Administrators Co. The total premium quote for 2004 was $98,829, increased 17% from 2003. According to States underwriters, the reinsurance increase was entirely due to Park City's exposure increases. Specifically, our fleet size increased 14% and gross expenditures increased by 30%, as reflected in the 2003 Financial Statement. Because the exposures were up such a high percentage, States actually decreased the premium rate increase by 4% trying to minimize the overall impact. Park City was the only States insured that the underwriter gave a rate decrease to. Had the underwriter applied the average increase in rate this year to Park City, the total premium increase would have been around 31%. A quote summary is attached for review.

Park City contracted with Marsh USA Risk and Insurance Services ("Marsh") in 2001 to act as the City's insurance broker through August 31, 2004. Marsh's Public Entity group sought pricing indications from carriers to see if they can compete with States for liability coverage. Marsh advised minimum premiums are up to $100,000 and they are typically seeing a 10-40% increase over last year's premiums, and they would not be able to compete against the States program this year.

Workers Compensation; Property; Crime:

Renewal applications were submitted to Marsh for renewal of property, workers compensation and crime insurance for one-year policies covering 2004. Marsh representatives returned with the following quotes:

Workers Compensation cost of coverage: $116,713. The 2004 workers compensation premium is 16% higher than last year. After considering the options three years ago, the City made the decision to obtain workers' compensation coverage from Workers Compensation Fund ("WCF") instead of self-insuring. According to Marsh, WCF slotted Park City in their Preferred Pricing Tier due to our loss history and gave all the credit they could to us this year. WCF continues to be the best and least expensive worker's compensation insurer in the state of Utah and due to the number and degree of City exposures i.e. law enforcement, recreation, water district, transportation, staff has concluded at least for now WCF coverage is probably the best protection for the City. A summary is attached for review.

Property cost of coverage: $42,078. The cost of property insurance decreased this year slightly. Marsh obtained two quotes, a renewal quote from Affiliated FM and a new quote from Lloyds of London. Lloyds of London is a conglomerate of A+ carriers that developed a property program tailored to public entities. In a policy comparison, Lloyds of London offers increased coverage in many categories i.e. policy limit, earth movement, flood, boiler & machinery, business interruption, bus loss (catastrophic loss, theft, vandalism – not collision), newly acquired property; and lower deductibles for flood and earth movement. Because of this comparison, staff is recommending acceptance of the Lloyds of London quote, however, summaries are attached for Council review and ultimate determination.

Pursuant to the Terrorism Risk Insurance Act, quotes for optional terrorism coverage were received from States, Affiliated and Lloyds of London. Staff discussed the appropriateness of the optional terrorism coverage for the City with Marsh representatives, and it was determined Park City, and the state of Utah for that matter, is at very low risk.

Public Officials Employee Dishonesty (Crime) cost of coverage: $3,361. Last year's carrier (Kemper) is no longer in business. Marsh was able to obtain a new quote from Travelers for this coverage. Travelers underwrote all City employees, and unlike Kemper, does not offer a criteria which limits the number of employees to those who expressly handle money for the City, which resulted in a premium increase. A summary is attached for review.

Department Review:

Staff has reviewed all possible options to insure the City in a reasonable and acceptable manner. The quotes, coverages and options submitted by Marsh and States were reviewed by Legal Department and Marsh representatives. The Legal Department consulted with Finance, Public Works and Recreation Departments for financial statement, payroll, fleet, transit and recreation data, and the Budget Department concerning the budget and self-insurance fund.

ALTERNATIVES

- Approve the insurance recommendations as presented.
- Deny the recommendations. This is not recommended in regard to workers compensation coverage, which the City is required to provide.
- Continue the item and provide direction to staff. This is also not recommended as there may be a lapse in coverage.

RECOMMENDATIONS

Staff recommends the City Council authorize the payment of premiums providing insurance coverage from January 1, 2004 through January 1, 2005 as follows:

1. $116,713 for the City's workers compensation insurance;
2. $ 98,829 for public entity broad form liability insurance with States program;
3. $ 42,078 to Lloyds of London for property insurance;
4. $ 3,361 to Travelers for public officials employee dishonesty (crime) insurance;
5. Self-insurance for physical damage coverage for City buses; and
6. Decline optional terrorism risk insurance.

States

INSURANCE PROPOSAL

To: Park City Municipal Corporation 445 Marsac Ave/ PO Box 1480 Park City UT 84060-1480 **Attn:** Cindy LoPicolo	**From:** Martin Ericson States Self-Insurers Risk Ret. Grp. 222 S Ninth St Suite 1300 Minneapolis, MN 55402-3332
Proposal For: Park City Municipal Corporation	**Proposal Expires On:** 1/1/2004

X Public Entity Broad Form Liability (including General Liability, Employment Practices Liability, Automobile Liability and Law Enforcement Liability and Public Officials Error & Omission Liability) in accordance with the terms, conditions and exclusions of the policy form.

ONE YEAR PROPOSAL

Company Limits	Self-Insured Retention Limit	Premium	TRIA Charge	TOTAL
$5,000,000 /Occ/Agg	$250,000 /Occ	$98,829	$988	$99,817

Company Limits	Self-Insured Retention Limit	Premium	TRIA Charge	TOTAL

SPECIAL TERMS AND CONDITIONS

Occurrence Form Policy

(1) All premiums are due at the inception date of the policy.
(2) Premiums will be annually rerated to reflect experience and exposure.
(3) Defense Costs outside the limit endorsement.
(4) A Mold Exclusion Endorsement will be attached to the renewal policy.
(5) TRIA act coverage must be elected or rejected by the insured in writing. If rejected a full terrorism exclusion will apply
(6) Blanket Additional Insureds where required by written contract.

*****Please see attached for any additional terms and conditions.**

Martin A. Ericson

Signed

11/24/2003

Date

POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM
INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act of 2002, effective November 26, 2002, that you now have a right to purchase insurance coverage for losses arising out of acts of terrorism, as defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property; or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Coverage under this policy may be affected as follows:

YOU SHOULD KNOW THAT COVERAGE PROVIDED BY THIS POLICY FOR LOSSES CAUSED BY CERTIFIED ACTS OF TERRORISM IS PARTIALLY REIMBURSED BY THE UNITED STATES UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. UNDER THIS FORMULA, THE UNITED STATES PAYS 90% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

SELECTION OR REJECTION OF TERRORISM INSURANCE COVERAGE

	I hereby elect to purchase Terrorism coverage for a prospective premium of $988
	I hereby reject coverage for losses arising out of certified acts of terrorism, as defined in the Act. I understand that losses arising from acts of terrorism will be excluded.

Park City Municipal Corporation
Applicant/Named Insured

States RRG
Insurance Company

By:____________________
Authorized Representative's Signature

____
Authorized Representative's Title

____
Date

SEL3015701
Policy Number

Please indicate your choice above, sign where indicated, and return the original form to us at the address below no later than January 1, 2004

We recommend that you keep a copy of this notice for your records.

States RRG
c/o Berkley Risk Administrators Company
222 S Ninth St Ste 1300

PARK CITY MUNICIPAL CORPORATION

Property Summary

Policy Year 1/1/2004 - 1/1/2005

Coverage Description	Expiring Program Affiliated FM A+ XIVg	Renewal Quote Affiliated FM A+ XIVg	Renewal Quote Lloyds of London
Policy limit any one loss	$10,000,000	$15,000,000	$43,612,704
Total Insured Values per Schedules			
Property	$32,970,015	$34,928,515	$34,928,515
Golf Carts	$290,335	$290,335	$290,335
Radio Equipment	$180,231	$171,443	$171,443
Mobile/Contractors Equipment	$891,126	$1,511,911	$1,511,911
Buses	N/A	N/A	$6,600,000
Sublimits of Insurance:			
These limits are part of and not in addition to the total limit			
Earth Movement	$10,000,000	$15,000,000	Policy Limit
Flood - All Locations except for the following;	$10,000,000	$10,000,000	Policy Limit
Flood Zones A	Included	Included	$2,500,000
Flood Zones V	Excluded	Excluded	Excluded
Off Premises Power Failure	$1,000,000	$1,000,000	N/A
Boiler & Machinery Breakdown	$10,000,000	$15,000,000	Policy Limit
Ammonia Contamination	$250,000	$250,000	Included
Hazardous Substances	$250,000	$250,000	Included
Extra Expense	Included in Blanket	Included in Blanket	$1,000,000
Business Interruption/Gross Earnings	$1,000,000 Racquet Club Location Only	$1,000,000 Racquet Club Location Only	$5,000,000
Terrorism	$100,000	$100,000	Policy Limit

PARK CITY MUNICIPAL CORPORATION

Property Summary

Policy Year 1/1/2004 - 1/1/2005

Coverage Description	Expiring Program Affiliated FM A+ XIVg	Renewal Quote Affiliated FM A+ XIVg	Renewal Quote Lloyds of London
Sublimits of Insurance:			
These limits are part of and not in addition to the total limit			
Loss to Buses resulting from Physical Damage **(Excluding Collision)**	N/A	N/A	$6,600,000
Contractors Equipment	$891,126	$1,511,000	$1,511,000
Golf Carts	$290,335	$290,335	$290,335
Radio Dispatch Equipment	$180,231	$171,443	$171,443
Fire Fighting Materials & Expenses	$100,000	$100,000	$50,000
Professional Fees	$100,000	$100,000	N/A
Expediting Expenses	$100,000	$100,000	$100,000
Trees, Shrubs, Plants and Lawns limit $1,000 per item	$100,000	$100,000	$100,000
Pavements & Roadways	$250,000	$250,000	N/A
Land & Water Clean Up Expense	$50,000	$50,000	$250,000
Installation Floater	$50,000	$50,000	N/A
Newly Acquired Property	$500,000	$500,000	$10,000,000
Unnamed Locations Coverage	$500,000	$500,000	N/A
Fine Arts	$300,000	$300,000	N/A
Accounts Receivable	$250,000	$250,000	$1,000,000
Valuable Papers & Records	$250,000	$250,000	$1,000,000
Electronic Data Processing Data and Media	$100,000	$100,000	$1,000,000
Coverage A: Demolition & Increased Cost of Construction	$1,000,000	$1,000,000	$5,000,000
Coverage B: Demolition & Increased Cost of Construction	$1,000,000	$1,000,000	$5,000,000
Errors & Omissions	$500,000	$500,000	$5,000,000
Course of Construction	Included	Included	$10,000,000
Ordinance or Law Coverage	Included in Demolition Cov.	Included in Demolition Cov.	$10,000,000
Loss of Rents	N/A	N/A	$5,000,000
Revenue Interruption	N/A	N/A	$2,500,000
Debris Removal	N/A	N/A	$1,000,000
Leasehold Interest	N/A	N/A	$1,000,000
Bridges	N/A	N/A	$500,000
Property of Others	N/A	N/A	$50,000 subject to $10,000 per person
Transit Coverage	$100,000	$100,000	N/A

PARK CITY MUNICIPAL CORPORATION

Property Summary

Policy Year 1/1/2004 - 1/1/2005

Coverage Description	Expiring Program Affiliated FM A+ XIVg	Renewal Quote Affiliated FM A+ XIVg	Renewal Quote Lloyds of London
Deductibles			
Flood	$50,000	$100,000	$50,000
Earth Movement	2% subject to $100,000 per locations	2% subject to $100,000 per locations	$100,000
Boiler & Machinery & Off Premises Power Property Damage	$10,000	$10,000	$10,000
Off Premises Power Waiting Period	48 Hours	48 Hours	$10,000
EDP	48 Hours subject to $25,000 per location	48 Hours subject to $25,000 per location	$10,000
Contractors Equipment		$2,500	$10,000
Terrorism	$100,000	$100,000	$10,000
All Other Losses	$10,000	$10,000	$10,000
Valuation (Historical Replacement Cost)	Property Damage-Replacement Cost with exception of all Scheduled Equipment which is based on Actual Cash Value	Property Damage-Replacement Cost with exception of all Scheduled Equipment which is based on Actual Cash Value	Property Damage-Replacement Cost Time Element-Actual Loss Sustained
Annual Premium	$41,788	$41,332	$39,513
Annual Inspection Fee	$500	$500	$2,565
Surplus Lines Taxes & Fees	N/A	N/A	$1,778
Total Annual Property Premium & Fee	$42,288	$41,832	$42,078
Percentage of Premium change		-1%	1%
Optional Terrorism Quotes-Up to Full Limits of Insurance		$2,500	$2,500

PARK CITY MUNICIPAL CORPORATION

Workers' Compensation

Policy Year 1/1/2004 - 1/1/2005

Coverage Description	Expiring Program WCF of Utah A- VIII	Renewal Quote WCF of Utah A- VIII	Percent of change from Expiring Plan
Limits:			
Coverage A	Statutory	Statutory	
Coverage B - Employers Liability			
Bodily Injury by Accident - Each Accident	$1,000,000	$1,000,000	
Bodily Injury by Disease - Each Person	$1,000,000	$1,000,000	
Bodily Injury by Disease - Policy Limit	$1,000,000	$1,000,000	
Annual Payroll Estimate:	**$9,936,287**	**$10,059,989**	1%
Clerical	$1,455,699	$1,463,175	1%
Municipal Employees	$8,004,133	$8,055,920	1%
Street & Roads Maintenance	$476,455	$540,894	14%
Class Codes & Rates			
Clerical - 8810	$0.20	$0.21	5%
Municipal Employees - 9417	$1.99	$2.06	4%
Street & Roads Maintenance - 5509	$2.01	$2.06	2%
Policy Credits / Debits			
Employers Liability Increase Limits Charge	2.800%	2.800%	0%
Experience Modification Factor	0.79	0.81	3%
Scheduled Credit / Debit	15%	15%	0%
Premium Size Discount	10.46%	10.84%	4%
Terrorism Risk Insurance	$2,981	$3,018	
Premium	**$101,000**	**$116,713**	**16%**

Payment Plan	25% down payment with monthly installments	25% down payment with monthly installments	

PARK CITY MUNICIPAL CORPORATION

Crime Summary

Policy Year 1/1/04 - 1/1/05

Coverage Description	9/1/00-01 Kemper A+ VIII	9/1/01-02 Kemper A+ VIII	9/1/02-03 Kemper A+ VIII	9/1/02-9/1/03 Travelers A++XVg	1/1/04-1/1/05 Travelers A++XVg	1/1/04-1/1/05 Travelers A++XVg
Public Officials Employee Dishonesty - Form O (Limit applies per Loss)	$525,000	$525,000	$525,000	$525,000	$525,000	$1,000,000
Money & Securities Inside the Premises	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000
Money & Securities Outside the Premises	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000
Forgery Alterations	N/A	N/A	N/A	$500,000	$500,000	$1,000,000
Computer Fraud	N/A	N/A	N/A	$500,000	$500,000	$1,000,000
Add Faithful Performance of Duty	Yes	Yes	Yes	Yes	Yes	Yes
Scheduled Treasurer	Separate policy	$432,000	$432,000	Separate policy	Separate policy	Separate policy
Joint Loss Payable Endorsement	No	Yes	Yes	Yes	Yes	Yes
State of Utah acting through the Division of Water						
Deductible	$0	$0	$5,000	$5,000	$5,000	$10,000
Number of Employees				57	295	295
Number of Locations				34	4	4
Annual Premium	**$2,532**	**$2,780**	**$2,780**	**$1,592**	**$3,361**	**$4,495**
Prorated Premium to extend coverage to 1/1/04				**$2,124**		

Travelers Subjectivities:

1. Confirmation of number of employees
2. Confirmation of number of locations

Rates based on 148 FT + 26PT + 121 Temp employees and 4 locations

PARK CITY MUNICIPAL CORPORATION

Premium Summary

Policy Year 1/1/2004 - 1/1/2005

Coverage Description	Expiring Program	Renewal Quote	Percent increase over expiring
Commercial Property - Affiliated FM	$42,288	$41,832	-1%
Workers Compensation - WCF	$101,000	$116,713	16%
Crime - Travelers	$1,592	$3,361	111%
Total	**$144,880**	**$161,906**	12%

Overall Insurance Cost Change 12%

City Council
Staff Report

Author:	Alison Butz
Subject:	Imperial Hotel Management
Date:	December 18, 2003
Type of Item:	Administrative
	Review of the Management Contract

PARK CITY
1881

Special Events and
Facilities Department

Summary Recommendations:
Direct Staff to enter into a management contract for management of the Imperial Hotel, with ResortCom for a six-month period in the amount of $12,000 with revenue sharing incentives.

Description:

Topic:
Requests for Proposals (RFP) for the Management of the Imperial Hotel.

Background:
The City has recently acquired the historic 1904 Imperial Hotel, located at 221 Main Street. The Hotel is one of five remaining miners' boarding houses in Park City. The hotel was restored in 1988 with other minor upgrades since then. The hotel has ten guestrooms, including two suites of varying sizes. The property also includes a parlor, dining area, kitchen, office, small front desk, hot tub, ski storage, small laundry, linen storage and about 500 square feet of unused commercial space on the street level. The hotel has 7 private parking spaces off of Swede Alley. In addition, there is a small duplex at 222 Grant Avenue which is not part of the management contract. The 1904 Imperial Hotel has been run as a Bed and Breakfast Inn since 1988 under several owners and operators.

The City issued a RFP to continue the use of the hotel as nightly lodging while it looks at its long-term opportunities for the hotel property.

The scope of the RFP requested proposals to consider a lease of the property or a management agreement for a period of six (6) to twelve (12) months. The City would consider proposals for operating the Hotel as a bed and breakfast inn, hotel, nightly lodging only with onsite management (part-time or full-time management) or nightly lodging with off site management. Further description on the following items was also requested.

1. Term of either a lease or management agreement shall be for a minimum of six months, with options for extensions.
2. Ability to take reservations and book rooms.
3. Outline of type of operation, i.e. B & B, onsite management, off-site management or combination.
4. Housekeeping services.

5. Basic repairs and maintenance, including hot tub.
6. Security.
7. Check-in, Check-out.
8. Laundry services.
9. Customer service and problem solving.
10. General Management.
11. Snow removal.
12. Marketing plan.
13. Use of retail space, if any.
14. Proposed Lease Fee or Management Fee.
15. Plan for contacting existing reservations and negotiating any changes.

The deadline for submittals was December 1, 2003 and a total of three proposals were submitted. The RFP was noticed in the Park Record twice and e-mails were sent by the City and the Chamber of Commerce to the various lodging companies in the greater Park City area.

Analysis:
The City received a total of three (3) proposals, which were evaluated by Staff. The criteria used to select a management firm were:

1. Experience in managing nightly lodging.
2. Experience in working with owners or lessors.
3. Type of proposed operation.
4. Review of the stated "approach" to the requested scope of services.
5. Cost effectiveness in providing the desired product.
6. Understanding of how Park City operates as a destination resort community.

The proposal from ResortCom was chosen as the most cost effective and responsive proposal. Their proposed $2,000 monthly management fee for ResortCom's services and 35% of all room revenue minus operating expenses appears to be the best cash proposal to the City requiring no initial investment to begin operations. In addition ResortCom's proposal was selected for the following reasons relating to the other RFP criteria:

- While their headquarters is in San Diego, ResortCom has 35 staff located in Park City managing the Park Plaza Resort for over six years.
- ResortCom has a large international marketing and reservations department with 40 operators. Several operators will become Imperial Hotel experts. Park Plaza has a seasonal occupancy of 90% and ResortCom has the ability to move any Park Plaza demand or overflow directly to the Imperial Hotel.
- The services they will provide will include:

• Reservations and Room Inventory management both onsite and from the call center in San Diego.

• Finance and Administration, including banking, accounting, payroll, financial controls and budgeting. They will work with the city through a framework approved by the Finance Department.
• Front office, check-in and check-out services for the hotel.
• Daily Housekeeping and Laundry services on and/or off-site
• Maintenance and Security including snow removal.
• Marketing, Sales and Customer Service through ResortCom's "Suite Getaways" program that currently markets approximately 24,000 room nights in Park City. The Imperial hotel would be included in this program immediately.
• Local management with a General Manager with suitable hotel and resort management experience, along with additional staff as needed.

- The proposed operation is as a "boutique hotel" still providing breakfast for the guests in the morning and evening refreshments après ski.
- Out of all the proposals ResortCom has the largest staff in town regarding maintenance, housekeeping, management, etc.
- ResortCom's proposal appears to have the largest immediate marketing and sale capabilities of the three proposals.
- ResortCom's proposal includes a revenue sharing plan that promotes cost efficiencies by tying their revenues to the net operating revenue as opposed to gross receipts, thus sharing the operational expense risk with the City. This proposal requires no up front expenses to the City as their management fees are paid as part of the monthly operating expenses.

	Payment by City (6mos.)	Payment to City (6mos.)	Duplex Rental	Projected Revenue Sharing $ to City	Projected Total to City
ResortCom	$12,000	-	$6,000	50% Net $36,728	$30,728
Silver Queen Properties	$24,000 <u>$30,000</u> $54,000	-	$6,000	55% Gross $71,282	$23,282
Silver-King LLC	-	$18,000	-	-	$18,000*

*Does not include $40,000 in forgone revenue or $10,000 payment from City to Silver-King LLC.

The other two proposals submitted were from local companies, both with experience in managing the Imperial Hotel.

1) Silver Queen Properties proposed a flat monthly fee of $15,000 in December and January and $6,000 monthly fee in months 3-6 along with 45% of total gross monthly income as commission for term of the agreement. For December and January the Silver Queen Properties' proposal would require the City to pay $30,000 in the next 30 days ($15,000 payment due December

19 with an additional $15,000 payment due on January 16th). Prior to the City's ownership of the hotel approximately $40,000 was collected from guests for advanced deposits. The City did not receive the $40,000 from the SBA or the previous manager Silver-King, LLC when the City purchased the hotel. The $30,000 required from the Silver Queen in the first months operations would need to come from City funds initially.

2) Silver-King LLC submitted a proposal to pay the City $3,000 monthly and, if applicable, would pay on an annual basis 33% of gross revenue over $220,000 less sales and lodging taxes. An additional submittal from Silver-King LLC clarified that the proposal included the expectation of the income from the 222 Grant Avenue duplex. This option was not included within the scope of the RFP, and additionally has the potential to decrease City revenues by an additional $1,000 per month. The City paid Silver-King, LLC $10,000 for the rights and ownership of existing reservations, reservations equipment, telephone numbers, web site and web addresses in order to expedite the Imperial purchase. If Silver-King, LLC was selected for ongoing management, the $10,000 fee and $40,000 in advance reservations should be collected.

Staff contacted ResortCom for clarification on their proposal. Within that clarification, ResortCom stated they would take a percentage of the net revenue along with a management fee of $2,000 per month. This clarification offered a good return to the City. By offering to take a percentage of the net, it also requires ResortCom to operate the hotel as efficiently as possible to produce the best bottom line, which benefits both parties. ResortCom has backed out the $40,000 in advance deposits from its projections and will not share in those revenues or require the City to contribute those deposits towards gross revenue.

The management contract is for a period of six months, with an option to extend if agreed upon by both parties.

ResortCom will manage the revenues and expenses from the Imperial Hotel and will pay the City's 50% of net profits on a semi-annual basis. The City, within the management agreement reserves the right to audit of ResortCom's activities, which relate directly or indirectly, to this Agreement.

Significant Impacts

There are issues with the ability to continue interim management and take care of booked guests without a management company in place, particularly in light of the upcoming peak season. Additionally, the sooner a management firm is in place the sooner additional marketing can be put in place to improve on current occupancy. ResortCom and Silver Queen Properties can essentially begin operating the property on Friday, December 19th.

ALTERNATIVES

5. Approve the management contract between Park City Municipal and ResortCom International to manage the Imperial Hotel.
6. Reject all proposals and reissue the RFP.
7. The City Council may continue the action for more information and discussion.

RECOMMENDATION:
Direct Staff to enter into a management contract for management of the Imperial Hotel, with ResortCom in the amount of $12,000 with revenue sharing incentives.

Exhibits
Exhibit A – Management Contract

PARK CITY MUNICIPAL CORPORATION SERVICE PROVIDER/PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is made and entered into in duplicate this 18th day of December, 2003, by and between PARK CITY MUNICIPAL CORPORATION, a Utah municipal corporation, (ACity@), and ResortCom International, a California corporation (AService Provider@).

WITNESSETH:

WHEREAS, the City recently acquired the historic Imperial Hotel, located at 221 Main Street, Park City, Utah (hereinafter The Imperial Hotel) and desires to operate The Imperial Hotel as a nightly lodging facility; and

WHEREAS, in response to City's request for proposals, Service Provider submitted a proposal to manage The Imperial Hotel; and
WHEREAS, sufficient City resources are not available to provide such services; and

WHEREAS, the Service Provider represents that the Service Provider is qualified and possesses sufficient skills and the necessary capabilities, including technical and professional expertise, where required, to perform the services and/or tasks set forth in this Agreement.

NOW, THEREFORE, in consideration of the terms, conditions, covenants, and performance contained herein, the parties hereto agree as follows:

1. **SCOPE OF SERVICES**.

The Service Provider shall perform such services and accomplish such tasks, including the furnishing of all materials and equipment necessary for full performance thereof, as are identified and designated as Service Provider responsibilities throughout this Agreement and as set forth in the AScope of Services@ attached hereto as AExhibit A@ and incorporated herein (the AProject@). Fees for this Agreement shall be governed by the Fee Schedule provided at Exhibit A.

2. **TERM**.

The initial term of this Agreement shall commence on the date of execution on this Agreement and shall terminate on June 30, 2004 unless extended by mutual written agreement of the parties.

3. **COMPENSATION AND METHOD OF PAYMENT**.

A. Payments for services provided hereunder shall be made monthly following the performance of such services.

B. No payment shall be made for any service rendered by the Service Provider except for services identified and set forth in this Agreement.

C. For all Aextra@ work the City requires, the City shall pay the Service Provider for work performed under this Agreement according to the fee schedule attached hereto at AExhibit A,@ or if none is attached, as subsequently agreed to by both parties in writing.

D. The Service Provider shall submit to the City Manager or his designee on forms approved by the City Manager, an invoice for services rendered during the pay period. The City shall make payment to the Service Provider within thirty (30) days thereafter. Requests for more rapid payment will be considered if a discount is offered for early payment. Interest shall accrue at a rate of six percent (6%) per annum for services remaining unpaid for sixty (60) days or more.

E. The Service Provider reserves the right to suspend or terminate work and this Agreement if any unpaid account exceeds sixty (60) days.

4. <u>REPORTS AND INSPECTIONS</u>.

A. The Service Provider, at such times and in such forms as the City may require, shall furnish the City such statements, records, reports, data, and information as the City may request pertaining to matters covered by this Agreement.

B. The Service Provider shall at any time during normal business hours and as often as the City may deem necessary, make available for examination of all its records and data with respect to all matters covered, directly or indirectly, by this Agreement and shall permit the City or its designated authorized representative to audit and inspect other data relating to all matters covered by this Agreement. The City may, at its discretion, conduct an audit at its expense, using its own or outside auditors, of the Service Provider=s activities, which relate directly or indirectly, to this Agreement.

5. <u>INDEPENDENT CONTRACTOR RELATIONSHIP</u>.

A. The parties intend that an independent Service Provider/City relationship will be created by this Agreement. No agent, employee, or representative of the Service Provider shall be deemed to be an employee, agent, or representative of the City for any purpose, and the employees of the Service Provider are not entitled to any of the benefits the City provides for its employees. The Service Provider will be solely and entirely responsible for its acts and for the acts of its agents, employees, subcontractors or representatives during the performance of this Agreement.

B. In the performance of the services herein contemplated the Service Provider is an independent contractor with the authority to control and direct the performance of the details of the work, however, the results of the work contemplated herein must meet the approval of the City and shall be subject to the City=s general rights of inspection and review to secure the satisfactory completion thereof.

6. SERVICE PROVIDER EMPLOYEE/AGENTS.

The City may at its sole discretion require the Service Provider to remove an employee(s), agent(s), or representative(s) from employment on this Project. The Service Provider may, however, employ that (those) individuals(s) on other non-City related projects.

7. HOLD HARMLESS INDEMNIFICATION.

A. The Service Provider shall indemnify and hold the City and its agents, employees, and officers, harmless from and shall process and defend at its own expense any and all claims, demands, suits, at law or equity, actions, penalties, losses, damages, or costs, of whatsoever kind or nature, brought against the City arising out of, in connection with, or incident to the execution of this Agreement and/or the Service Provider=s defective performance or failure to perform any aspect of this Agreement; provided, however, that if such claims are caused by or result from the concurrent negligence of the City, its agents, employees, and officers, this indemnity provision shall be valid and enforceable only to the extent of the negligence of the Service Provider; and provided further, that nothing herein shall require the Service Provider to hold harmless or defend the City, its agents, employees and/or officers from any claims arising from the sole negligence of the City, its agents, employees, and/or officers. The Service Provider expressly agrees that the indemnification provided herein constitutes the Service Provider=s limited waiver of immunity as an employer under Utah Code Section 34A-2-105; provided, however, this waiver shall apply only to the extent an employee of Service Provider claims or recovers compensation from the City for a loss or injury that Service Provider would be obligated to indemnify the City for under this Agreement. This limited waiver has been mutually negotiated by the parties, and is expressly made effective only for the purposes of this Agreement. The provisions of this section shall survive the expiration or termination of this Agreement.

B. No liability shall attach to the City by reason of entering into this Agreement except as expressly provided herein.

8. INSURANCE.

The Service Provider shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Service Provider, their agents, representatives, employees, or subcontractors. The Service Provider shall provide a Certificate of Insurance evidencing:

A. General Liability insurance written on an occurrence basis with limits no less than one million dollars ($1,000,000) combined single limit per occurrence and two million dollars ($2,000,000) aggregate for personal injury, bodily injury and property damage.

B. Professional Liability (Errors and Omissions) insurance written on an occurrence basis with limits no less than one half million dollars ($500,000) combined single limit per occurrence.

C. Workers Compensation insurance written on an occurrence basis with limits no less than one half million dollars ($500,000) combined single limit per occurrence.

D. The City shall be named as an additional insured on the insurance policies, as respect to work performed by or on behalf of the Service Provider and a copy of the endorsement naming the City as an additional insured shall be attached to the Certificate of Insurance. The Certificate of insurance shall warrant that the City shall receive thirty (30) days advance notice of cancellation. The City reserves the right to request certified copies of any required policies.

E. The Service Provider's insurance shall contain a clause stating that coverage shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

9. TREATMENT OF ASSETS.

Title to all property furnished by the City shall remain in the name of the City and the City shall become the owner of the work product and other documents, if any, prepared by the Service Provider pursuant to this Agreement (contingent on City's performance hereunder).

10. **COMPLIANCE WITH LAWS**.

A. The Service Provider, in the performance of this Agreement, shall comply with all applicable federal, state, and local laws and ordinances, including regulations for licensing, certification and operation of facilities, programs and accreditation, and licensing of individuals, and any other standards or criteria as described in this Agreement to assure quality of services.

B. The Service Provider specifically agrees to pay any applicable fees or charges which may be due on account of this Agreement.

11. **NONDISCRIMINATION**.

A. The City is an equal opportunity employer.

B. In the performance of this Agreement, the Service Provider will not discriminate against any employee or applicant for employment on the grounds of race, creed, color, national origin, sex, marital status, age or the presence of any sensory, mental or physical handicap; provided that the prohibition against discrimination in employment because of handicap shall not apply if the particular disability prevents the proper performance of the particular worker involved. The Service Provider shall ensure that applicants are employed, and that employees are treated during employment without discrimination because of their race, creed, color, national origin, sex, marital status, age or the presence of any sensory, mental or physical handicap. Such action shall include, but not be limited to: employment, upgrading, demotion or transfers, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and programs for training including apprenticeships. The Service Provider shall take such action with respect to this Agreement as may be required to ensure full compliance with local, state and federal laws prohibiting discrimination in employment.

C. The Service Provider will not discriminate against any recipient of any services or benefits provided for in this Agreement on the grounds of race, creed, color, national origin, sex, marital status, age or the presence of any sensory, mental or physical handicap.

D. If any assignment or subcontracting has been authorized by the City, said assignment or subcontract shall include appropriate safeguards against discrimination. The Service Provider shall take such action as may be required to ensure full compliance with the provisions in the immediately preceding paragraphs herein.

12. **ASSIGNMENTS/SUBCONTRACTING**.

A. The Service Provider shall not assign its performance under this Agreement or any portion of this Agreement without the written consent of the City, and it is further agreed that said consent must be sought in writing by the Service Provider not less than thirty (30) days prior to the date of any proposed assignment. The City reserves the right to reject without cause any such assignment.

B. Any work or services assigned hereunder shall be subject to each provision of this Agreement and property bidding procedures where applicable as set forth in local, state or federal statutes, ordinance and guidelines.

C. Any technical/professional service subcontract not listed in this Agreement, must have express advance approval by the City.

13. CHANGES.

Either party may request changes to the scope of services and performance to be provided hereunder, however, no change or addition to this Agreement shall be valid or binding upon either party unless such change or addition be in writing and signed by both parties. Such amendments shall be attached to and made part of this Agreement.

14. MAINTENANCE AND INSPECTION OF RECORDS.

A. The Service Provider shall maintain books, records and documents, which sufficiently and properly reflect all direct and indirect costs related to the performance of this Agreement and shall maintain such accounting procedures and practices as may be necessary to assure proper accounting of all funds paid pursuant to this Agreement. These records shall be subject at all reasonable times to inspection, review, or audit by the City, its authorized representative, the State Auditor, or other governmental officials authorized by law to monitor this Agreement.

B. The Service Provider shall retain all books, records, documents and other material relevant to this Agreement for six (6) years after its expiration. The Service Provider agrees that the City or its designee shall have full access and right to examine any of said materials at all reasonable times during said period.

15. POLITICAL ACTIVITY PROHIBITED.

None of the funds, materials, property or services provided directly or indirectly under the Agreement shall be used for any partisan political activity, or to further the election or defeat of any candidate for public office.

16. PROHIBITED INTEREST.

No member, officer, or employee of the City shall have any interest, direct or indirect, in this Agreement or the proceeds thereof.

17. MODIFICATIONS TO TASKS AND MISCELLANEOUS PROVISIONS.

A. All work proposed by the Service Provider is based on current government ordinances and fees in effect as of the date of this Agreement.

B. Any changes to current government ordinances and fees which affect the scope or cost of the services proposed may be billed as an "extra" pursuant to Paragraph 3(C), or deleted from the scope, at the option of the City.

C. The City shall make provision for access to the property and/or project and adjacent properties, if necessary for performing the services herein.

18. TERMINATION.

A. Either party may terminate this Agreement, in whole or in part, at any time, by at least thirty (30) days written notice to the other party. The Service Provider shall be paid its costs, including contract close-out costs, and profit on work performed up to the time of termination. The Service Provider shall promptly submit a termination claim to the City. If the Service Provider has any property in its possession belonging to the City, the Service Provider will account for the same, and dispose of it in a manner directed by the City.

B. If the Service Provider fails to perform in the manner called for in this Agreement, or if the Service Provider fails to comply with any other provisions of the Agreement and fails to correct such noncompliance within three (3) days written notice thereof, the City may immediately terminate this Agreement for cause. Termination shall be effected by serving a notice of termination on the Service Provider setting forth the manner in which the Service Provider is in default. The Service Provider will only be paid for services performed in accordance with the manner of performance set forth in this Agreement.

19. NOTICE.

Notice provided for in this Agreement shall be sent by certified mail to the addresses designated for the parties on the last page of this Agreement.

20. ATTORNEYS FEES AND COSTS.

If any legal proceeding is brought for the enforcement of this Agreement, or because of a dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, the prevailing party shall be entitled to recover from the other party, in addition to any other relief to which such party may be entitled, reasonable attorney's fees and other costs incurred in that action or proceeding.

21. JURISDICTION AND VENUE.

A. This Agreement has been and shall be construed as having been made and delivered with the state of Utah, and it is agreed by each party hereto that this Agreement shall be governed by laws of the state of Utah, both as to interpretation and performance.

B. Any action of law, suit in equity, or judicial proceeding for the enforcement of this Agreement, or any provisions thereof, shall be instituted and maintained only in any of the courts of competent jurisdiction in Summit County, Utah.

22. SEVERABILITY.

A. If, for any reason, any part, term, or provision of this Agreement is held by a court of the United States to be illegal, void or unenforceable, the validity of the remaining provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular provision held to be invalid.

B. If it should appear that any provision hereof is in conflict with any statutory provision of the state of Utah, said provision which may conflict therewith shall be deemed inoperative and null and void insofar as it may be in conflict therewith, and shall be deemed modified to conform in such statutory provisions.

23. ENTIRE AGREEMENT.

The parties agree that this Agreement is the complete expression of the terms hereto and any oral representations or understandings not incorporated herein are excluded. Further, any modification of this Agreement shall be in writing and signed by both parties. Failure to comply with any of the provisions stated herein shall constitute material breach of contract and cause for termination. Both parties recognize time is of the essence in the performance of the provisions of this Agreement. It is also agreed by the parties that the forgiveness of the nonperformance of any provision of this Agreement does not constitute a waiver of the provisions of this Agreement.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed the day and year first hereinabove written.

Exhibit A

SCOPE OF SERVICES AND FEE SCHEDULE

THE IMPERIAL HOTEL

ResortCom International (hereinafter ResortCom or Service Provider) will provide the following services at The Imperial Hotel in a manner consistent with ResortCom's management proposal dated November , 2003, attached hereto and incorporated herein as Exhibit B. To the extent that the terms of the management proposal and this Agreement are inconsistent, the terms of this Agreement shall control. Any additional services contemplated to be added to this agreement, may occur only with the full approval of all parties.

1. Full Resort Management

   a. ResortCom will oversee the day-to-day management of The Imperial Hotel, including supervision of the following areas and departments:

      i. Front Office (Reception, Bellmen, Telephone, Concierge, Guest and Member Services)
      ii. Housekeeping (Daily Maid Services, Laundry, Unit Inspections)
      iii. Maintenance (Repair, replacement and upkeep of items in rooms, preventative maintenance, major repair and refurbishment programs)
      iv. Purchasing (specifying, ordering, receiving and storing of all pertinent items and articles necessary to operate The Imperial Hotel. The cost of the Purchasing department will either be shared on a pro rata basis with the Park Plaza Resort, or passed directly through to the Imperial Hotel on a cost basis.)
      v. Accounting (Controller, Accountants, financial review, analysis and reporting of all financial reports. This cost of this service will be on a pro rata basis with the Park Plaza Resort, or passed directly through to The Imperial Hotel on a cost basis)
      vi. Information Technology including all software, hardware and information technology support and personnel. To the extent necessary at the resort, these costs will be allocated on a pro rata basis from sharing with the Park Plaza Resort, or will be passed directly through to The Imperial Hotel on actual costs.
      vii. Human Resources, including all recruitment, interviewing and hiring of personnel. If necessary to use the services of the Human Resources department, these costs will be passed along on a cost recovery basis, based on pro rata, or hourly costs to support The Imperial Hotel.

2. Capital Expenditures and Replacement of Furniture, Fixtures and Equipment, or other major maintenance projects:

a. ResortCom will oversee regular and annual Hotel Inspections. From this study, ResortCom will

i. Prioritize the work identified in the study, and assure that there are adequate funds in the Imperial Hotel accounts to support all work, before beginning any work.
ii. To select appropriate contractors, sub contactors, or suppliers, who will be deemed adequate to carry out the work once approved.
iii. Supervise and manage the process of each project.
iv. Assure that all work identified to be carried out is done at the lowest possible cost to The Imperial Hotel, at the best quality of work or performance.

3. Hotel Performance

a. ResortCom will work closely with the City, to assure that the performance of The Imperial Hotel is optimized at all times, in all departments.

i. ResortCom's objectives will be to perform at the highest level in terms of service and product, while overseeing The Imperial Hotel budget and to do everything in its power and authority so that the financial results exceed budget.
ii. ResortCom will introduce standards and service training, which assures that the customer service performance of the hotel is maintained at the 3-diamond rating from AAA. As well, ResortCom will introduce an internal Customer Service Rating program, which will be measured against the AAA performance, with a view that guests of The Imperial Hotel have a high standard of expectation for the resort, and that this performance level will be met and exceeded, after target standards have been set mutually with ResortCom, and the City.
iii. It is not the intention of ResortCom that The Imperial Hotel should operate at a fiscal loss. Therefore, in regard to forecasted losses, ResortCom and the City will need to work out further details which assure that there are no out of pocket costs or expenses to the City for the operation of The Imperial Hotel.

b. Hotel Organization

i. ResortCom will work through the General Manager and other departmental managers of The Imperial Hotel, to achieve the optimum performance both from a financial perspective, and from a service perspective. No parties will interfere with ResortCom or contravene instructions to resort management in the carrying out of their responsibilities, and the City agrees to provide any comments, direction or feedback through ResortCom's Vice President of Resort and Club Operations or his designee.

4. Monthly Fee, Commission, and Additional Work

a. Monthly Fee:

i. ResortCom International will receive a monthly fee of $2,000 per month to supervise and manage The Imperial Hotel. In the event the term of this Agreement is extended beyond one year by mutual written agreement of the parties, then this fee will increase to $2500 per month beginning on year two, and to $3000 per month beginning in year three. Fees for any partial month shall be paid on a pro rata basis.

ii. This fee will cap at $36,000 per year.

b. Commission:

iii. In addition to the fee listed above, ResortCom will receive a Fifty Percent (50%) commission on all net profits earned by The Imperial Hotel for the term of this Agreement. Commission payments to ResortCom shall be paid on a semi-annual basis. There shall be no additional costs to the City by ResortCom in this respect.

c. Additional Work:

iv. Any additional work or services required which are outside the scope of this Agreement will be billed on an hourly basis. The hourly fees will be set at $90.00 per hour. ResortCom will provide written notice to the City prior to performing any such additional work and agrees to obtain approval from both prior to conducting any additional work of this nature.

d. <u>Operating Expenses</u>: ResortCom shall use best efforts to operate The Imperial Hotel at an expense budget consistent with the expense estimates provided in the Financial Pro Forma attached hereto and incorporated herein as Exhibit C. ResortCom agrees that expenses shall not exceed the estimates provided in the Pro Forma without the prior consent of the City.

ResortCom
INTERNATIONAL

November 28, 2003

Ms. Allison Butz
Special Events and Facilities Manager
Special Events and Facilities Department
Park City Municipal Corporation
PO Box 1480
445 Marsac Avenue
Park City, UT, 84040

Dear Ms. Butz:

Thank you very much for the opportunity for ResortCom International to put forward its proposal to manage the Imperial Hotel in Park City, Utah. We are excited about the hotel, and its rich history. Given our experience in Park City, we believe that we would do an excellent job in managing the hotel to the appropriate standards, in keeping with the rich historic heritage it brings to the region.

As you will see by looking over our outline and proposal, we are very experienced in managing Hotels, Resorts, Timeshare and Condominium properties, and feel that with our current operation in Park City, there would be some synergies and economies of scale we could bring to the table, that would benefit all parties.

Please review the attached proposal. Should you have any questions, please call me. We will look forward very much to hearing from you.

Sincerely yours,

John E. Small
Chairman
ResortCom International

RECEIVED
PARK CITY MUNICIPAL CO
12:00 PM

ResortCom International
404 Camino del Rio South, Fourth Floor
San Diego, California 92108
Telephone 619 683 2470 Fax 760 454 4483

ResortCom International
Corporate, Executive and Owners' Overview

ResortCom International Corporate Overview

ResortCom International is the resulting entity in a corporate reorganization that included two sister companies – Resort Communications, Inc, a California corporation and International Resort Management, LLC, a California limited liability company. This reorganization took place on January 1, 2003.

Resort Communications has been in business since 1985. Its primary product is loan servicing (mortgage servicing) on timeshare receivables and maintenance fee servicing generated from timeshare sales. Besides providing loan servicing and maintenance fee billings and payment processing, it also specializes in "Portfolio Management" (delinquency management and collections). Resort Communications has become known as the top performer of Portfolio Management for all of its clients (best performing portfolios – lowest delinquencies).

In order to expand its services in the resort and timeshare market, a sister company was formed in 2001 to specialize in Resort and Property management, Vacation Club/HOA management, Fractional/Full-time Services, Reservations and Resort Property Rental and Marketing Services. By adding these additional services, ResortCom (the new combined entity) provides 100% of the operational and back office services for a Hotel, Resort, Timeshare or Fractional Resort developer. The summary of all of the primary services now provided by ResortCom International, is:

- Resort Management
- HOA/Club Management
- Reservations/Club Services
- Resort Rental Marketing
- Public Relations and Advertising Services
- Loan Servicing
- Portfolio Management (Collections)
- Maintenance Fee Billing and Collections
- Merchant Credit Card Processing

ResortCom maintains its primary headquarters in San Diego, California. It also has an office in Ft. Lauderdale, Florida (utilized primarily as a call center for East Coast clients and customers). ResortCom currently has 240 employees, 125 of which are in the San Diego office.

Market Niche and Clients

ResortCom International's markets have been Mexican and Caribbean based developers who sell primarily to American and Canadian consumers. 90% of all of our transactions have been with U.S. residents and 100% of the transactions are in U.S. dollars. However, in the past several years, ResortCom has added several resorts to its portfolio – six to be exact.

ResortCom International's Client list includes the following:

- The Villa Group – Full Management of 5 resorts
- Villas La Estancia – Full Management of one deluxe resort
- World's Finest Resorts – Collections – Reservations and Concierge Services
- Raintree Vacation Club/Club Regina – Financial Services and Reservations
- Allegro Vacation Club – Club Management and Services, and Financial Services
- Universal Vacation Club – Club Management and Services, and Financial Services
- Lady Luck Resort and Casino – Full Management of one resort
- El Cid Resorts – Financial Services
- Playa Del Sol Group – Club Management and Services, and Full Management of 3 resorts
- Mayan Palace – Financial Services
- Park Plaza Resort – Full Management of one resort
- Playa Grande/Solmar – Financial Services
- Pueblo Bonito Resort Group – Marketing and Sales of Resort inventory
- Avalon Resorts – Club Management and Services and Financial Services
- Velas Vallarta – Financial Services

Managing Principals

John E. Small, Chairman, Co-Managing Member, Owner

Previously the President of International Resort Management (now ResortCom International), John E. Small is Chairman of the new company. John has extensive background in the hospitality industry. For over 27 years, he has held key management positions at some of the worlds leading properties including the Shangri La Hotel - Singapore, Block Hotels - Africa, Sun City Resort - South Africa, Sugarbush Resort - Vermont, and Sitmar Cruises, Royal Viking Line and Princess Cruise Lines. While under his management, these entities received worldwide recognition for being industry leaders.

Most recently, John was a Senior Vice President of RCI, and President of RCI Management, which provides resort management services. During his time as Chief Operating Officer with RCIM, he was instrumental in growing RCIM from 19 resorts to over 43, in three and one half years. During his tenure, John dramatically improved the profitability of the company, as well as winning over 40 ARDA awards, - most notably the coveted ACE Employer Award as the Employer of Choice for the Timeshare Resort Industry. Also during that time, John was successful at writing and designing RCI's business plan for the high-end fractional market (The Private Residence Club).

Jeffrey S. Healy – President, Co-Managing Member, Owner

Jeff Healy is a California C.P.A. Under his presidency, since 1998, Resort Communications (now ResortCom International) has become a leading provider of financial, administrative and marketing services to the resort, fractional and timeshare industry. Jeff is a results-oriented leader. His prior roles in the client position of developer and homeowner's association board member reinforce his company's capabilities to provide what a client needs.

Jeff's career began with KPMG Marwick, after graduating from San Diego State University with a B.A. in Accounting. An outstanding performer, within five years he was named Senior Manager specializing in real estate, banking and service industries. Jeff then served as Executive Director/CFO of The Villa Group. His role as Executive Director from 1993-98 was critical in the success of this major developer of Mexican resort and fractional properties. During his career, Jeff's innovative philosophy of portfolio management and financial services easily earned both his former employers and his present clients millions of dollars with increased revenue and decreased expenses. It is widely acknowledge that this financial acumen, along with Jeff's highly regarded information technology expertise have brought ResortCom and its growing client base to the 21st Century.

Executive Management

Richard Hodges – Vice President of Resort and Club Operations

Richard is responsible for ResortCom's resort management and owner services division, along with overseeing overall HOA/club management. Rick recently joined our team to provide the needed support, talent and experience for ResortCom to grow in the Resort Management field. Prior to joining our team, Rick was Senior Vice President of Operations with Regal Hotels International, a Hong Kong-based group, for the past 13 years. The corporate business hotels operated by Regal catered primarily to Fortune 500 Companies. During his time in Shangai, the Regal properties under his supervision hosted many presidents, prime ministers, kings and queens and other dignitaries from around the world.

Prior to his association with Regal Hotels International, Hodges was a Vice President of MHM, a management company serving 150 brand name properties in North America and the Caribbean. He joined ResortCom International in July 2003 with the mission to bring hospitality disciplines to our industry.

Ken Owens - Vice President of Club Services and Yield Management

Ken is responsible for the call centers and their service performance as well as the inventory management of all resorts managed by ResortCom International. Ken has extensive background in the travel and vacation industry. For over 30 years, he has held key management for Pacific Southwest Airlines (PSA), Sitmar and Princess Cruises, Radisson Diamond Cruises, The Moorings (the world's largest sailboat chartering company) and Balboa Travel. While under his management, each of the areas both grew and achieved recognition for being industry leaders in each field. All of these management positions have related to marketing, customer service and/or call center management.

Most recently, Ken was the Vice President of Marketing for RCI Management, which provides resort management services. During his with RCIM he was instrumental in growing RCIM's Extra Holidays rental program from $ 4 million per annum to over $ 10 million per annum, in two and one half years. As Vice President of Marketing for RCIM, Ken also was instrumental in the growth in the number of resorts managed by RCIM.

Peter Gust – Vice President of Finance

Peter heads up ResortCom's corporate finance, but also oversees all HOA/Club accounting, along with all Resort Rental accounting. Within this area, Peter oversees all HOA/Club annual budgeting, monthly and quarterly financial report, board meetings reporting and presentation, reserve funds investment over-site management, and special resort analysis projects.

Prior to joining ResortCom several years ago, Peter was Director of Finance for RCI Management, overseeing all corporate accounting, HOA accounting and Extra Holidays' rental accounting. Before joining RCI Management, Peter held various financial management positions, in property management, telecommunications and technology. Peter brings with him very strong financial ethics which play a major role in the approach the company takes with its HOA/Club clients.

Alex Marxer – Vice President of Operations – Financial Services

Alex comes to Resort Communications with a very strong background in operations, customer service and IT. He has served as the Vice President of Operations of Onvoi Business Solutions (Sacramento) and as a Director of IT of several high tech and service companies, primarily in the Bay area. Originally from Munich, Germany, he has lived in the US for the past seven years. His primary focus is managing the day-to-day operations of the financial services division. He joined ResortCom International in October 2002 and since that time has been instrumental in recommending various process improvements that have allowed the company to become more efficient, more consistent, and stronger at handling the growth of new business.

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What Exactly is the ResortCom Difference?

When one starts to compare the differences between management companies, it can become a very confusing experience. All of us seem to be the same, all of us proclaim to "be the best" and indeed, our services seem to all blur together. We all manage resorts; we have rental programs; we have a variety of personnel; we provide a myriad of services, and some of us even use the same names, titles and phrases! It is a very confusing process!

But here are a few of the key differences between our company and most others, without all of the confusion. And none of the foregoing speaks of canned services!

1. Partner Service

The most succinct difference between our company and others is how we partner with our clients. We do it so well, we have coined a new phrase – "Partner Service".

This means that whatever your business may be, you will find that we exert the entire focus of our company on providing services that are geared to making you more successful. Many of our competitors will take your owner base, and turn your customers into their customers, by driving them to business segments within their organizations that make money for them – not for you. So your customer becomes their customer.

We are entirely different. Our programs and services are custom designed to suit your needs and your business goals. If your objective is to provide the highest level of owner services, both on-site and off-site, we will execute this above your expectations. If you very specific concierge services or premium amenities that you want provided, we will again execute this at the levels required. In fact, as part of our Partner Service, we ask you what you want, and what you think we should improve upon for each year. We then put a plan together accordingly, and we ask you to review our performance each quarter – against this plan. That way, we know that we are doing what you want, and asking you to hold us accountable. This means we will not veer outside of these goals and objectives at any time. So your customers, members and owners, remain so, true to your organization and your resorts. In the end, we are a major division of your organization, providing top quality results for you're your success. Please note – if you are successful with this project, we are successful.

No other management company in the industry can make this claim.

Some time ago, ResortCom was trying to determine its mission. We knew that with all of the confusion in the marketplace we could either find a path that was already traveled, or make our own. We believe that this difference is very clear. We stake our reputation on it. And, by the way – please call our current clients!!!

2. Size

We are a small company, which intends to remain so. We have found that by keeping the company at a small and manageable size, we are able to serve our clients more quickly, respond more rapidly, and be in place sooner in the event of an emergency. No matter how large we may become in terms of numbers of resorts, our management structure is very flat, and we intend to keep it that way. As a result, we do not have layers of managers to wade through before making important decisions, or corporate officers with whom to consult. We keep our infrastructure very small, purposely, so that we are able to react immediately to client issues and requirements. Size does not, nor will not, get in our way.

This allows us to attend to the details without all of the bureaucracy, which has a highly positive impact on service to our members and customers by being able to give them more attention – each time we speak to them.

3. Experience

We are fortunate, that within our small cadre of managers and directors, we have an exceedingly high level of industry knowledge and experience. Our experience has been very strong in the financial service and loan-servicing sector, and more recently on the Club, Resort and Development Services side of the business. Yet, while our numbers are not large (240 Staff), the people that we have on our team are highly experienced in their specialty, and most of us are skilled in multiple disciplines. Most of this experience comes from being in the field on the operating side, well before ever crossing over to the servicing company side.

Our clientele number among the most prestigious and well known in the industry, and all of them are well known for their quality. We are proud to play a supportive partnership role to them, and obviously, if our work and performance were not up to their standard, we would not have been able to retain them. Yet time after time, we find that we are able to add value and expertise to their organizations, enhancing their profits or their objectives as part of their team.

4. Competence

At ResortCom International, we deliver the highest operating standards in the industry – bar none! We are regarded as the best boutique management and financial services group in the business. Although we have developed and follow written operating standards, (against which we constantly measure ourselves), following are a few that we are proud to highlight:

a. Maintenance Fee Delinquency Average – Less than 3%
b. Loan Delinquency Average 99% (2 payments or less current)
c. Average Speed of Answer – Call Center 29 Seconds

ResortCom International
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d. Abandonment Rate – Call Center well below 5%
e. Additional Club Service Revenue on a per member basis - $100
f. Staff to Interval Ratio – Call Center 1:1500
g. Staff to Unit Ratio – Resorts 1:2

Bottom line, we have a higher ratio of personnel dedicated to customer service than our competitors, which translates to a better experience for members and guests. That means that customers' concerns get answered faster, and attended to more quickly; letters are responded to within 24 hours, issues are resolved, not left to someone else to worry about, or just forgotten altogether. In the literal sense, we take care of business – your business!

5. Raising the Bar

Each year, we formulate a plan to improve our performance from the previous year. By raising the bar for all of our employees, we can assure our customers of a steady improvement in service. And we look for new and innovative ways to solve old problems. Frankly, our goal is to exemplify the best-demonstrated practices when serving our clients, guests and the owners. And that can't happen by sitting back and resting on our laurels – we have to keep moving the company on to higher and higher performance goals.

6. Familiarity with Resorts, Locales and Operations

The key executives of ResortCom International are very familiar with the location of The Imperial Hotel. We have served other clients who operate in the Park City, or have had direct experience working in Park City and have had great success doing so. We have had over six years experience managing resorts in Park City, all of it successfully!

ResortCom's Proposal

Type of Proposal:

ResortCom proposes a management contract for a period of one year. If successful in our bid, we would require a management fee to be paid monthly for our services of $2,000 per month. We would recruit, hire, train and employ all of the necessary staff to operate the Hotel in a manner in keeping with its historic heritage, mindful of the rich history of the region and the facility.

We would operate the Hotel as a Boutique Hotel, which will provide limited food and beverage facilities, wherein Rooms Revenue will generate most of the income for the Hotel.

Competence

ResortCom is ready, willing and able to take on the responsibility for the Imperial Hotel from the date stipulated in the Request For Proposal. We have all the resources currently in place in Park City, through our management of the Park Plaza Resort.

Along with the efforts of the staff of the Park Plaza, ResortCom will provide the following services for the Imperial Hotel:

- Reservations and Inventory Management (both on site and in our call center in San Diego, California, using our specially designed software programs

- Finance and Administration, including all banking, accounting, payroll and benefit administration and financial controls for the hotel, to operate it in a prudent and fiscally responsible manner

- Human Resources, recruitment, interviewing, hiring and management of all of the hotel employees, as required to operate the hotel at a quality standard. We would also oversee and provide all necessary benefits for staff and management of the hotel

- Front Office, check in and check out services for the hotel

- Housekeeping and Laundry Services for the hotel, which will vary according to fluctuations in occupancy through the seasonal variations the hotel will experience

- Maintenance and Security services for the hotel, to maintain the property in a safe and secure manner, and to optimize the current operating equipment of the property so that the assets increase in value during our management tenure. Maintenance also includes providing snow removal and emergency maintenance services in the event that they are required on short notice

- Customer Services of the highest quality, which will support the city of Park City, and its aim to continue to build on its reputation as a world class destination for families, following the tremendous effort and success of the recent Winter Olympic Games

- A General Manager for the Imperial Hotel with a suitable hospitality background in hotel and resort management, and with a very high demonstrated ability in customer service

- Marketing and Sales through our Suite Getaways program. This program currently markets approximately 24,000 rooms nights in Park City at a seasonal occupancy of 90% and an average rate of $125.00 per day. The

Imperial Hotel would be included in this marketing and sales program, so that the property could be exposed to the market intending to visit Park City over the next twelve months

- Food and Beverage Services, to provide limited breakfast service at the Imperial Hotel, and limited services in regard to beverages in the evenings, depending on what is permissible by law and common sense. At the very least, we envision offering wine and cheese to our guests in the evening, before they depart for dinner plans in the Village.

Existing and Future Reservations

ResortCom will analyze each and every reservation, and when we have the full and complete listing of them, will contact each guest, travel agent or other agency, to confirm that the Imperial will be open, give them the dates of their booking, reconfirm their arrival and elicit appropriate advance payment procedures. After this has been done, we will enter all reservations into our Resort Manager Software system, in the appropriate date of arrival, into the reserved accommodation.

Following that exercise, we will then be in a position to determine the amount and type of available inventory – which we will begin marketing immediately, to maximize the occupancy and income for the Imperial Hotel.

Marketing and Sales Plan

ResortCom will integrate the Imperial Hotel into our current Sales and Marketing activities for Park City. This means that every effort will be made to expose the hotel to the channels of distribution for the destination, which may choose to utilize the hotel for their clients or travelers.

We will market the hotel in Utah, Arizona, Texas, New Mexico, California and Nevada, through our marketing channels, which are already in place. We will establish an appropriate room tariff supported by the current quality levels of the hotel, and in concert with the competition of similar other operations in Park City.

In addition, we will also market the hotel through the internet, using various suppliers who have been successful in bringing business to the Park City area, both in Winter as well as Summer.

Key Resort Executives

At the moment, the primary person responsible for the Imperial Hotel will be Mrs. Shawna McPherson, a seasoned Hotel and Resort Management person. We intend to recruit and hire a suitable Hotel Manager under Shawna's direct supervision. In this

way, we can give the Imperial Hotel proper coverage and support from our 35 other employees based in Park City.
In addition, Mr. Richard Hodges, our Vice President of Resort and Club Operations, will be involved in the transition of the Hotel, and in the day to day operations, standards and performance, through Mrs. McPherson, and through visible and frequent visits to the Hotel and to Park City.

Finally, Mr. Cody Meacham, our Maintenance Manager, will also be responsible for seeing that the Imperial Hotel is operating efficiently, and that all physical aspects of the operation are being looked after. He, along with Shawna and the Hotel Manager we intend to hire, will be the primary individuals responsible for the Hotel, for ResortCom International.

Additional Commissions

ResortCom would also take 35% of all rooms revenue booked into the Imperial Hotel. Aside from the Management Fee, and this commission, there would be no additional cost to the Hotel, aside from normal operating costs.

Budgets

As soon as ResortCom were identified as a finalist for Management of the Imperial Hotel, we would put forward an estimated operating budget for the property, taking into consideration all of the operating incomes and costs. At the outset, we are very confident that the property will generate a fair profit, after all overheads have been paid.

Into the Future

ResortCom would like to propose a longer-term management agreement, or even contemplate a lease on the property, after having the opportunity to manage it for the above stated one year period. We believe that the Imperial Hotel has wonderful potential, and that managed properly, should be able to stand on its own as a reminder of the colorful history and heritage of the era from which it came.

We look forward very much to hearing back from you in due course, so that we may begin our work on your behalf. If ResortCom is selected, proper contracts and agreement will be drawn up to be executed by both parties in the immediate future.

Thanks very much for the opportunity to be involved!

ResortCom International
404 Camino del Rio South, Fourth Floor
San Diego, California 92108
1 619 683 2470 Extension 1501 Telephone 1 760 454 4483 Fax

PARK CITY 1884

Author: Myles Rademan
Subject: PUBLIC AFFAIRS DIRECTOR
Date: December 11, 2003
Type of Item: Property Acquisition

PUBLIC AFFAIRS & COMMUNICATIONS

Summary Recommendations: Approve the acquisition of the Cranbrook 40 acre property for $1 million and part donation by authorizing the Mayor to execute the appropriate closing documents in a form approved by the City Attorney.

Description:

E. Topic:
Property acquisition

F. Background:
The 40-acre Cranbrook property is the last in holding in the City's Round Valley open space purchases. The City has negotiated with the property owner over the past couple of months and an agreement has been reached to purchase the property for $1 million, which includes a partial donation.

G. Analysis:
The 40-acre Cranbrook property is surrounded by open space the City has purchased and otherwise acquired over the past ten years. The City has paid an average of about $20,000/acre for the majority of its purchases in Round Valley. Since this is the last remaining property in a much larger assemblage, the City will be paying a premium of $25,000/acre if factor total land received. Purchasing this property with Open Space Bond funds insures that no development will detract from the open space nature of Round Valley and that this pristine area will be protected in perpetuity.

COSAC has reviewed and recommended the Cranbrook purchase to the City Council.

The terms of the purchase include the $1 million purchase price; payable in two installments of $500,000 at the time of closing before the end of 2003, and $500,000 by January 31, 2004.

H. Department Review:
Public Affairs (COSAC); Legal; Finance

Alternatives:

I. **Approve the Request:**
Purchase the property as proposed above. This is the recommended action.

J. **Deny the Request:** The City has executed a purchase agreement subject to Council approval so the Council may reject the purchase for any reason.

K. **Continue the Item:** Alternatives C and D are not really viable as the deal requires action and closing before the end of the year.

L. **Do Nothing:**

Significant Impacts:
The present City Council has reviewed the terms and an agreement with the seller has been executed that will be void if not approved at this meeting. The Cranbrook property is significant in that it protects the last piece of open space in the middle of approximately 1200 acres already owned and protected by the City.

Consequences of not taking the recommended action:
If the City does not acquire the Cranbrook property, the owners will attempt to perfect an access easement and pursue their development potential, which might include two residential structures and the utilities and accesses to serve them. Such development activity will significantly detract from the open space values that the City has worked so long and hard to maintain.

Recommendation:
Approve the acquisition of the Cranbrook 40 acre property for $1 million and part donation by authorizing the Mayor to execute the appropriate closing documents in a form approved by the City Attorney.

PROPERTY TRANSFER AGREEMENT

Cranbrook, LLC ("Seller") desires to sell his property in Round Valley; and **PARK CITY MUNICIPAL CORPORATION** ("Buyer") wishes to purchase the property. Based upon the mutual consideration herein, the sufficiency of which is acknowledged, Seller and Buyer agree as follows:

TERMS:

1. **Property**: an approximately 20 acre parcel as shown on Exhibit A attached (the Property).

2. Seller shall donate as a gift to Buyer at no cost to Buyer an approximately 20 acre parcel as shown on Exhibit B attached. The Additional Terms set forth in Section 4 below shall apply to Parcel B.

3. **Purchase Price**: The Purchase Price for the Property conveyed by Special Warranty Deed in fee simple absolute, subject only to encumbrances of record is:

   A) *Down Payment*: due at a mutually acceptable closing date ("Closing") $500,000.00

   B) *Seller Financing*: due and payable on or before January 31, 2004. Seller financing shall be secured by the promissory note attached hereto as Exhibit C...................................... $500,000.00

   C) *Total Purchase Price* $1,000,000.00

4. **Additional Terms**: Buyer's obligation to purchase is contingent upon timely satisfaction with the following terms:

   A) An Open Lands Easement consistent with prior open lands easements on other property recently acquired by Buyer shall be placed upon the property.

   B) No later than December 17, 2003, Seller shall provide to Buyer the following documents which are collectively referred to as to the "Seller Disclosures":

      i. A Seller property condition disclosure for the Property, signed and dated by Seller;
      ii. A commitment for the policy of title insurance;
      iii. A copy of any leases, easements or any other interest affecting the Property not expiring prior to Closing; and
      iv. Written notice of any claims and/or conditions known to Seller relating to environmental problems, boundary disputes and building or zoning code violations.

   C) Seller acknowledges that Buyer can commit to Purchase the Property only after formal approval of the City Council following public notice. Buyer agreed to schedule this proposed acquisition for City Council action at the first available regular Council meeting.

D) Buyer's obligation to purchase under this Contract is conditioned upon Buyer's approval of the content of all the Seller Disclosures referenced in paragraph B of this section including all encumbrances of record, and upon Buyer's approval of a physical condition inspection of the Property ("Inspection"). No later than December 24, 2003, Buyer shall complete all evaluations of Disclosures and Inspections and determine if the Seller Disclosures and Inspections are unacceptable, Buyer may no later than December 24, 2003, either: i) cancel this Contract by providing written notice to Seller; or ii) provide Seller with written notice of objections. If by December 25, 2003, Buyer does not cancel this Contract or deliver a written objection to Seller regarding the Disclosures and Inspections, the Disclosures and Inspections shall be deemed approved by Buyer. If Buyer provides written objections to Seller, Buyer and Seller shall have seven (7) calendar days after Seller's receipt of Buyer's objections (the "Response Period") in which to agree in writing upon the manner of resolving Buyer's objections. Seller may, but shall not be required to, resolve Buyer's objections. If Buyer and Seller have not agreed in writing upon the manner of resolving Buyer's objections, Buyer may cancel this Contract by providing written notice of Seller no later than three (3) calendar days after expiration of the Response Period, whereupon this Contract is canceled.

E) At Closing, Seller shall provide to Buyer and pay for a standard coverage owner's policy of title insurance for both parcels insuring Buyer in the amount of the Purchase Price.

F) Closing shall take place at a mutually acceptable date, before January 1, 2004, unless extended by written agreement. Buyer and Seller must mutually agree and sign written escrow Instructions for the escrow closing office and deliver all documents required by this Contract. Any monies required to be paid by Buyer under these documents shall be delivered by Buyer to Seller or to the escrow closing office in the form of collected or cleared funds. Seller and Buyer shall each pay one-half (1/2) of the fee charged by the escrow/closing office for its services in the settlement/closing process. Taxes and assessments for the current year shall be prorated to the date of Closing. All taxes shall be paid or credited by Seller to Buyer at Closing. The transaction will be considered closed when all of the following have been completed:

(i) the proceeds have been delivered by the Buyer to the Seller or to the escrow/closing office; and
(ii) the applicable Closing documents have been recorded in the office of the county recorder.

1) Buyer acknowledges that Seller intends to offer this Property to the Buyer at less than its fair market value.

5. **Possession**: Seller shall deliver physical possession to Buyer at Closing. Seller must remove all personal possessions from the property before Closing. Buyer shall not be responsible for the loss or damage of Seller's possessions after Closing. Seller shall bear risk of loss of the Property until delivering physical possession to Buyer.

6. **Condition of the Property**: Seller warrants that on the date Seller delivers physical possession to Buyer, the property will be in the same general condition as it was on the date of this offer. Seller makes no warranties or representations concerning claims which are not of record.

7. **Authority**: The Seller is a limited liability company, the person executing this Contract on its behalf warrants his or her authority to do so and to bind Buyer and Seller.

8. **Offer Expires**: If this offer is not accepted by Buyer by the close of business on December 12, 2003, it will lapse and be of no further effect.

9. **Changes During Transaction**: Seller agrees that from the date of Acceptance until the date of Closing, none of the following shall occur without the prior written consent of Buyer; (a) no changes in an existing lease or easement shall be made; (b) no new leases or easements shall be entered into; (c) no substantial alterations or improvements to the Property shall be made or undertaken; and (d) no further financial encumbrances to the Property shall be made.

10. **Binding Agreement**: Upon approval of this offer by the City Council, this offer shall be deemed formally accepted and binding upon both parties, their successors and assigns. This agreement may only be amended by written agreement, which may contain other mutually acceptable terms, covenants, conditions and provisions, duly executed by both parties.

Offer to Sell: Seller agrees to the terms and conditions specified above and irrevocably offers to sell the property Buyer subject to paragraph 7 above.

PARK CITY WATER SERVICE DISTRICT MEETING
SUMMIT COUNTY, UTAH
NOVEMBER 20, 2003

I ROLL CALL

Chairman Dana Williams called the regular meeting of the Park City Water Service District to order at approximately 7:30 p.m. at the Marsac Municipal Building on Thursday, November, 2003. Members in attendance were Dana Williams, Peg Bodell, Kay Calvert, Candace Erickson, Jim Hier, and Fred Jones. Staff present were Tom Bakaly, Executive Director; Mark Harrington, City Attorney.

II PUBLIC INPUT

The Chairman invited the public to comment on any matter of Water Service District business. Hearing none, the public input session was closed.

III MINUTES OF MEETING OF JANUARY 9, 2003

Hearing no corrections or omissions, the Chairman requested a motion to approve. Peg Bodell, "I so move". Kay Calvert seconded. Motion unanimously carried.

IV CONSENT AGENDA

Agreement with Weber Basin Water Conservancy District, Park City Municipal Corporation, Park City Water Service District, Summit County and Mountain Regional to extend the 1996 Memorandum of Understanding an additional six months – Fred Jones, "I move approval" Candace Erickson seconded. Motion carried unanimously.

V ADJOURNMENT

With no further business, the regular meeting of the City Council was adjourned. The meeting for which these minutes were prepared was noticed by posting at least 24 hours in advance and by delivery to the news media two days prior to the meeting.

Prepared by Janet M. Scott

Agreement Between
Park City Water Service District, Summit County, Mountain Regional Water Special Service District Implementing the Summit County Project

This Agreement is entered into this 11th day of December, 2003, by and between Park City Water Service District, a special service district organized and existing pursuant to the provisions of Utah Code Annotated §17A-2-1301 *et seq.*, 1953, as amended **(Park City Water)**, Summit County, a county and political subdivision of the State of Utah pursuant to Utah Code Annotated §17-50-1 *et seq.*, 1953, as amended (**Summit County**), and Mountain Regional Water Special Service District, a special service district organized and existing pursuant to the provisions of Utah Code Annotated §17A-2-1301 *et seq.*, 1953, as amended (**Mountain Regional**), Park City Water, Summit County, Mountain Regional and Weber Basin are hereinafter sometimes referred to as a **Party** and collectively as the **Parties**.

WHEREAS, Summit County, Mountain Regional (as successor in interest to the Atkinson Special Service District and Basin Regional Water Special Service District) and Weber Basin Water Conservancy District (**Weber Basin**) entered into a certain Memorandum of Understanding and Agreement, dated November 27, 1996 (the **MOU**), which sets forth a framework for the development of a water project to deliver water, made available from Bureau of Reclamation (**BOR**) and Weber Basin sources, for distribution within the service areas of Mountain Regional and Park City Water; and

WHEREAS, the Parties desire to move forward with the development of the **Summit County Project**, as described herein, and have entered into an agreement with Weber Basin extending the 1996 MOU through April 30, 2003; and

WHEREAS, the Summit County Project will be either a project constructed by the BOR following a study to evaluate the feasibility of importing water into the Snyderville Basin (**Feasibility Study**) or one or more other projects constructed by Weber Basin with Park City Water and/or Mountain Regional; and

WHEREAS, since entering into the MOU, Summit County and Mountain Regional have developed the Lost Creek Canyon shallow wells and pipeline which comprise Phase I of the project described in the MOU; and

WHEREAS, the State Engineer has approved the diversion of 1,600 acre feet of water from the Lost Creek Canyon Project under Weber Basin exchange contracts; and

WHEREAS, the Parties agree that the intent and purpose of the MOU will be fulfilled by Park City Water and Mountain Regional constructing the Summit County Project to deliver water to Mountain Regional and Park City Water as provided below.

WHEREFORE, THE PARTIES AGREE AS FOLLOWS:

SECTION I. LOST CREEK CANYON PROJECT

A. Design, Construction, Ownership and Operation of the Lost Creek Canyon Project. The Lost Creek Canyon Project, which consists generally of a shallow well collection system above the Rockport Reservoir, a pump station, a twenty-four inch pipeline, a treatment plant with a capacity of three million gallons per day, and all facilities necessary to transport and deliver water from the shallow wells into the raw water reservoir and treatment plant located in the Promontory Development, shall be acquired, designed, constructed, owned, operated, maintained, repaired and replaced by Mountain Regional at its sole cost and expense.

B. Lost Creek Canyon Project Costs and Financing. All costs and expenses incurred by Mountain Regional in the development and construction of the Lost Creek Canyon Project, including, but not limited to, legal costs, easement acquisition costs, environmental costs, engineering and design costs, construction costs, including labor and materials, and debt service costs (including interest), and costs of issuance shall become a part of the Lost Canyon Creek Project and shall be financed by Mountain Regional.

C. License for Park City Water's Use of the Lost Creek Canyon Project. Mountain Regional hereby licenses to Park City Water the right to receive water developed by the Lost Creek Canyon Project as follows:

1. Park City Water shall have the right to receive thirty-eight percent (38%) of the first 1,600 acre feet of water developed by the Lost Creek Canyon Project that is surplus to Promontory's demand.

2. Park City Water shall have the right to receive up to fifty-percent (50%) of water developed in excess of 1,600 acre feet up to a maximum annual delivery to Park City Water of 2,500 acre feet.

3. The license shall be effective on the date of execution of this Agreement and shall expire at such time as the Summit County Project is capable of delivering annually to Park City Water 2,500 acre feet of water.

4. Park City Water's cost for water developed by the Lost Creek Canyon Project shall be based on thirty-eight percent (38%) of Mountain Regional's direct costs in delivering the quantity of water received by Park City Water. Park City Water anticipates the rate will include a capital cost component which will be a proportionate share of Mountain Regional's capital contribution to the Lost Creek Canyon Project.

D. Expansion of Capacity in the Lost Creek Canyon Project. The Parties agree that any necessary expansion of the Lost Creek Canyon Project will be financed by the respective Parties in proportion to the amount of water being delivered to each Party through the Lost Creek Canyon Project.

SECTION II. SUMMIT COUNTY PROJECT

A. Project Description. The Parties anticipate that the Summit County Project will consist generally of a pipeline and pump designed to deliver water from a source outside of the Snyderville Basin to the service areas of Mountain Regional and Park City Water.

1. **BOR Project. In the event the BOR concludes its Feasibility Study and is willing to construct the Summit County Project, the Parties anticipate that the BOR will design and construct the project after which it will be owned and operated by Weber Basin, Park City Water, and/or Mountain Regional. Park City Water and Mountain Regional will pay the cost of the project through water sales agreements and petitions with Weber Basin.**

2. Independent Project. In the event the Summit County Project is not designed and constructed by the BOR, the Parties anticipate that the Summit County Project may be owned and operated by Weber Basin, Park City Water, and/or Mountain Regional. Park City Water and Mountain Regional will cooperate with Weber Basin in the construction of the Summit County Project. All costs and expenses incurred by Park City Water and Mountain Regional in the development and construction of the Summit County Project, including, but not limited to, legal costs, easement acquisition costs, environmental costs, engineering and design costs, construction costs, including labor and materials, reimbursement of Weber Basin's costs, and debt service costs (including interest) shall become a part of the Summit County Project.

B. Allocation of Summit County Project Water. Subject to the terms, conditions and limitations of the water sale contracts and petitions entered into with Weber Basin, the Parties agree that Park City and Mountain Regional will enter into contracts with Weber Basin to purchase on a take-or-pay basis 2,500 acre feet each of water developed by the Summit County Project.

SECTION III. PARK CITY WATER AND MOUNTAIN REGIONAL

A. Park City Water. All facilities other than the Lost Creek Canyon Project necessary to be constructed or otherwise provided by Park City Water to receive, transport and deliver water from the Summit County Project into Park City Water's culinary and irrigation water system, shall be acquired, designed, constructed, owned, operated, maintained, repaired and replaced by Park City Water at its sole cost and expense.

B. Mountain Regional. All facilities necessary to be constructed or otherwise provided by Mountain Regional to receive, transport and deliver water from the Summit County Project into Mountain Regional's culinary and irrigation water system, shall be acquired, designed, constructed, owned, operated, maintained, repaired and replaced by Mountain Regional at its sole cost and expense. Mountain Regional agrees to assist Park City Water in obtaining easements required for the transportation of water from the Summit County Project to the service area of Park City Water.

C. Reciprocal Wheeling Agreement. Each Party agrees to allow the wheeling of water through their respective water distribution systems to the extent there is available capacity. The Parties agree to charge a wheeling fee which represents the actual cost of providing such capacity and transporting such water.

D. Areas of Cooperation. Park City Water and Mountain Regional agree to work together to maximize their effectiveness in approaching Congress and federal agencies. The Parties further agree that neither Park City Water nor Mountain Regional shall pursue alternative importation projects or funding that could jeopardize the construction or funding of the Summit County Project. The Parties further agree to coordinate their efforts with Weber Basin and to work with Weber Basin and the BOR to amend the federal enabling legislation as required for the Summit County Project.

E. Additional Water Rights. Park City Water will make available to Mountain Regional those Park City water rights that may assist Mountain Regional in expanding the use of the Lost Creek Canyon Project and/or other Mountain Regional sources.

SECTION IV. DEVELOPMENT OF OTHER SOURCE CAPACITY

The Parties acknowledge and agree that the Summit County Project will be constructed to fulfill the intent of the 1996 MOU. Accordingly, the Parties agree that the Summit County Project shall comprise Phase II of the project contemplated in the 1996 MOU.

SECTION V. INTEGRATION, TERMINATION OF MOU

This Agreement constitutes the entire understanding and agreement by and among the Parties hereto, and specifically supersedes the MOU and any and all other prior agreements, representations or understandings by and among them, whether written or oral, pertaining to the subject matter hereof, excepting the agreement entered into with Weber Basin extending the MOU. By this Agreement, the MOU is terminated and is of no further force or effect.

SECTION VI. MISCELLANEOUS PROVISIONS

A. Binding Effect. The provisions of this Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

B. Assignment Limited. No assignment or other transfer of this Agreement or any part thereof or interest therein shall be valid unless and until approved by Weber Basin's Board of Trustees.

C. Attorney's Fees. In the event that this Agreement or any provision hereof shall be enforced by an attorney retained by a Party hereto, whether by suit or otherwise, the fees and costs of such attorney shall be paid by the Party who breaches or defaults hereunder, including fees and costs incurred upon appeal or in bankruptcy court.

D. Severability. If any term or provision of this Agreement shall, to any extent, be determined by a court of competent jurisdiction to be void, voidable, or unenforceable, such void, voidable or unenforceable term or provision shall not affect the enforceability of any other term or provision of this Agreement.

E. Captions. The section and paragraph headings contained in this Agreement are for the purposes of reference only and shall not limit, expand or otherwise affect the construction of any provisions hereof.

F. Construction. As used herein, all words in any gender shall be deemed to include the masculine, feminine, or neuter gender, all singular words shall include the plural, and all plural words shall include the singular, as the context may require.

G. Further Action. The Parties hereby agree to execute and deliver such additional documents and to take further action as may become necessary or desirable to fully carry out the provisions and intent of this Agreement.

H. Inducement. The making and execution of this Agreement has not been induced by any representation, statement, warranty or agreement other than those herein expressed.

I. Force Majeure. Performance by any Party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrections, strikes, lock-outs, floods, earthquakes, fires, casualties, acts of God, epidemics, quarantine, restrictions, inability (when the responsible Party is faultless) to secure necessary labor, materials, tools, acts or failure to act of any public or governmental agency or entity, or by any other reason not the fault of the Party delayed in performing work or doing acts required under the terms of this Agreement, and in such event, the performance of such work or the doing of such act shall be excused for the period of the delay and the period of performance for any such work or the doing of any such act shall be extended for a period equivalent to the period of such delay.

J. No Third Party Beneficiaries. This Agreement shall not be deemed to create any right in any person who is not a Party (other than the permitted successors and assigns of a Party) and shall not be construed in any respect to be a contract, in whole or in part, for the benefit of any third party (other than permitted successors and assigns of a Party hereto).

K. Warranty of Authority. The individuals executing this Agreement on behalf of the Parties hereby warrant that they have the requisite authority to execute this Agreement on behalf of the respective Parties and that the respective Parties have agreed to be and are bound hereby.

L. Termination of Agreement. This Agreement may not be terminated without the written consent of all Parties.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.